

establishment of a semimilitary camp at Southbury, Conn.; to the Committee on Immigration and Naturalization.

3629. By Mr. KRAMER: Resolution of the Madera County Farm Bureau, pertaining to train-limit legislation, etc.; to the Committee on Interstate and Foreign Commerce.

3630. Also, resolution of the Merced County Farm Bureau, relative to House bill 8024; to the Committee on Interstate and Foreign Commerce.

3631. By Mr. DELANEY: Petition of the New York Clothing Cutters Union, urging the immediate passage of the Black-Connery wage and hour bill; to the Committee on Labor.

3632. Also, petition of the executive board of Local 802, American Federation of Musicians, New York City, endorsing the wage and hour bill and urging its passage during the present special session of Congress; to the Committee on Labor.

3633. By Mr. MEAD: Petition of the Associated School Boards of Niagara and Orleans Counties of New York State, urging continuation of Public Works Administration construction; to the Committee on Appropriations.

3634. By Mrs. ROGERS of Massachusetts: Petition of the Massachusetts Federation of Taxpayers Associations, urging that every effort be made to balance the Budget by a cessation of wasteful and extravagant expenditures; to the Committee on Appropriations.

3635. By Mr. BOYLAN of New York: Memorial of the New York Board of Trade, unanimously adopted by the members of the board at a meeting December 8, 1937; to the Committee on Appropriations.

3636. By Mr. FITZPATRICK: Petition of the Utility Workers' Union, Local 1212, of the United Electrical, Radio, and Machine Workers of America, urging the passage of the Black-Connery wage and hour bill; to the Committee on Labor.

3637. By Mr. THOMAS of New Jersey: Resolution adopted by the New Jersey Association of Real Estate Boards, Newark, N. J., at its twenty-first annual convention, protesting against the continuance of the present high tax rates on capital gains and undistributed surplus; to the Committee on Ways and Means.

3638. By Mr. KENNEY: Petition of Branch No. 3540, National Association of Letter Carriers, Teaneck, N. J., favoring the passage of House bill 8334, providing for salary increases for regular and substitute letter carriers, etc.; to the Committee on the Post Office and Post Roads.

3639. By Mr. ANDREWS: Petition of residents of Buffalo, N. Y., protesting against any levying of taxes which would increase cost of food; to the Committee on Ways and Means.

3640. By Mr. KENNEY: Petition of the New Jersey Association of Real Estate Boards, protesting against the surplus tax; to the Committee on Ways and Means.

SENATE

THURSDAY, DECEMBER 16, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, December 15, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---------|----------|--------------|--------|
| Adams | Bankhead | Bridges | Burke |
| Andrews | Barkley | Brown, Mich. | Byrd |
| Ashurst | Bilbo | Brown, N. H. | Byrnes |
| Austin | Bone | Bulkeley | Capper |
| Bailey | Borah | Bulow | Chavez |

| | | | |
|-----------|-----------------|---------------|---------------|
| Connally | Hatch | McNary | Sheppard |
| Copeland | Hayden | Maloney | Shipstead |
| Davis | Herring | Miller | Smathers |
| Dieterich | Hitchcock | Minton | Smith |
| Donahey | Holt | Moore | Stetwer |
| Duffy | Johnson, Calif. | Murray | Thomas, Okla. |
| Ellender | Johnson, Colo. | Neely | Thomas, Utah |
| Frazier | King | Norris | Townsend |
| George | La Follette | O'Mahoney | Truman |
| Gerry | Lee | Overton | Tydings |
| Gibson | Lodge | Pepper | Vandenberg |
| Gillette | Logan | Pittman | Van Nuys |
| Glass | Louderman | Pope | Wagner |
| Graves | Lundeen | Radcliffe | Walsh |
| Green | McAdoo | Reynolds | Wheeler |
| Guffey | McCarran | Russell | White |
| Hale | McGill | Schwartz | |
| Harrison | McKellar | Schwellenbach | |

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from Arkansas [Mrs. CARAWAY] is detained on important public business.

The Senator from Tennessee [Mr. BERRY], the Senator from Missouri [Mr. CLARK], and the Senator from Illinois [Mr. LEWIS] are unavoidably detained.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

LIMITATION OF FUNDS FOR NATIONAL-PARK ROADS AND TRAILS, ETC.

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior transmitting a draft of proposed legislation to repeal certain authorizations of appropriations contained in the act approved June 16, 1936, amending the Federal Aid Highway Act, and for other purposes, which, with the accompanying paper, was referred to the Committee on Post Offices and Post Roads.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram embodying a resolution of the executive committee of the Washington Savings and Loan League, Centralia, Wash., favoring certain amendments to pending housing legislation designed to promote the construction of homes and furnish employment to labor, as proposed in the program of the United States Building and Loan League, which was referred to the Committee on Banking and Currency.

Mr. COPELAND presented a resolution adopted by members of the New York and New Jersey Dry Dock Association, protesting against the enactment of legislation to transfer the work performed by the Corps of Engineers of the Army to another governmental department with civilian supervision, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Home Owners and Taxpayers Association, of Staten Island, N. Y., favoring the inclusion of low interest and low amortization rates in proposed housing legislation, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Dutchess County (N. Y.) League of Women Voters, protesting against the enactment of the bill (S. 3022) to amend the law relating to appointment of postmasters, which was ordered to lie on the table.

He also presented resolutions adopted by the twentieth annual meeting of the Columbia County (N. Y.) Farm Bureau Association, protesting against the enactment of pending wage and hour legislation, which were ordered to lie on the table.

He also presented a resolution adopted by Stockton Grange, No. 316, Patrons of Husbandry, Stockton, N. Y., protesting against the enactment of the so-called Black-Connery wage and hour bill, which was ordered to lie on the table.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of Colorado:

A bill (S. 3143) for the relief of George O. Wills; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 3144) for the relief of Harry Hume Ainsworth (with accompanying papers); to the Committee on Military Affairs.

By Mr. McADOO:

A bill (S. 3145) to provide for the appointment of an additional district judge for the southern district of California; to the Committee on the Judiciary.

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

The VICE PRESIDENT. When the Senate took a recess last evening, the amendment in the nature of a substitute offered by the Senator from Oklahoma [Mr. LEE] was the pending amendment. The question is on agreeing to the amendment in the nature of a substitute.

Mr. RUSSELL. Mr. President, the amendment offered by the Senator from Oklahoma [Mr. LEE] seeks to apply what is commonly known as the domestic-allotment plan to the production of cotton, and to substitute this plan for the committee provision respecting cotton.

The amendment proposes that the amount of cotton domestically consumed each year within the United States shall be apportioned between the cotton farmers of the United States on very much the same basis that is provided for the allocation of cotton under the provisions of the pending bill. It seeks to establish machinery which will assure to the cotton farmer either parity or 20 cents per pound for such of his cotton as is consumed domestically within the United States. Inasmuch as the domestic consumption usually amounts to about one-half of the total amount of cotton produced, this plan would assure 20 cents a pound to each farmer on about half of his normal production.

Mr. President, I do not claim that the substitute proposed by the Senator from Oklahoma is perfect in all its details. I do know that it submits a philosophy for the solution of our critical cotton problem that is wholly at variance with that contained in the committee bill. The committee proposes to apply a policy of restriction of production to limit the crop next year to about 10,000,000 bales, and to sell in the world market in competition with the world and at the world prices the cotton that is produced. The substitute offered by the Senator from Oklahoma proposes to establish what is known as the two-price system for cotton—one price for the cotton domestically consumed and another price for the cotton that is to move in the channels of world commerce.

The domestic allotment substitute will return to the farmer the penalties he has paid under our unequal tariff system. Only that cotton which brings him 20 cents per pound or parity can be processed, spun, or woven within the United States. It leaves to the individual farmer the question of production, and if the farmer does not desire to compete in the world market he can produce the amount of his domestic allotment knowing that he will receive a fair price for the cotton allotted to him.

The distress of the cotton farmer today is due to the fact that he is competing with the lowest-paid labor in the world—those who produce cotton in India, Russia, Mexico, and Brazil—and that for 100 years he has been compelled to bear the burden of the tariff.

Believing as I do that the eventual solution of the cotton problem depends upon establishing the two-price system for the benefit of the cotton farmer, I am supporting the substitute amendment offered by the Senator from Oklahoma.

I realize that there is very vigorous opposition to giving the farmer the two-price system in the United States. However, I was amazed this morning to see the Secretary of Agriculture quoted in the press as saying that the two-price system in the United States as applied to the cotton producer would lead us into fascism. Why, for more than 100 years we have had a two-price system in this country

for everything the cotton farmer has had to buy; and yet when it is proposed to apply the same rule to help the cotton farmer, to raise him up from his present misery and distress and despair caused by buying in a protected market and competing in the sale of his product with peons and coolies and slave labor in every corner of the world, we are now told that the rule which industry has had applied to it for all these years cannot be applied to the farmer without bringing about fascism in the United States.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. RUSSELL. I have only a few minutes, but I yield to the Senator from Oregon.

Mr. McNARY. I was greatly surprised by the statement which the Senator says the Secretary of Agriculture made. When was it made?

Mr. RUSSELL. I said that the Secretary was quoted in this morning's press—and I have read only one of the Washington newspapers—as saying that the two-price system as applied to agriculture in this country would lead to fascism.

Mr. President, talk about fascism and regimentation. We all realize that this bill as it is presented by the committee constitutes more regimentation than any two-price system could possibly do. It invades the farmer's farm, and tells him how much cotton he may grow and how much he may sell. It tells the producer of wheat how much he may sell in any one year, and how much he is compelled to store. It is regimentation and fascism to a far greater degree than the plan embraced in the amendment which is proposed by the Senator from Oklahoma.

The domestic allotment plan is really a system of voluntary control. The farmer will know exactly how much he will be able to market for parity, or 20 cents a pound, and you may be sure that he will not greatly exceed this if he is compelled to sell his cotton in the world trade at a loss, as he is being compelled to do this year under existing legislation, and is likely to experience next year under the committee bill.

Mr. POPE. Mr. President, will the Senator yield?

Mr. RUSSELL. I have such a little time that I regret not to be able to yield to my friend from Idaho. However, I yield for a question.

Mr. POPE. I desire to ask the Senator if he attaches any significance or importance to the joint resolution which was passed by this Congress at the last session, on the basis of which loans on cotton were made?

Mr. RUSSELL. I was not present in the Senate at the time the joint resolution was passed. I was absent in the discharge of official duties at that time, and I certainly am not bound by the joint resolution, inasmuch as I did not support it. I do not know what it provides, but I do not believe that the Senate has heretofore passed any joint resolution which would condemn a two-price system as applied to agriculture as being fascist in its tendencies.

Mr. POPE. Let me say to the Senator—

Mr. RUSSELL. I regret to be compelled to ask the Senator to make his statement in his own time.

Mr. President, I realize how earnestly the Committee on Agriculture and Forestry has approached this problem in seeking to solve it for the benefit of the cotton farmers of the country. I pay tribute to the distinguished Senator from Alabama [Mr. BANKHEAD], a man whose name is a household word in every home within the Cotton Belt for his long and tedious labor in perfecting the cotton title of this bill. I know he is wholly convinced that reduction in production of cotton is the solution of our problem in the South. I admit that when tried before in the Bankhead cotton bill it did help prices. But, Mr. President, I desire to point out that at the time we tried restriction in the production of cotton, which is an export crop, the world was not prepared to go ahead in producing vast quantities of cotton; but so soon as it was known throughout the world that we were to pursue a policy of curtailment of production in these United States we saw the world's production of cotton increase from 13,000,000 bales to 20,000,000 bales within 4 years.

Since we have embarked upon this program of limited production of cotton in the South, we have shifted the domination of the cotton markets of the world from our country to foreign lands. Never until the control plans were tried had all the combined nations of the world produced more cotton than we produced within the United States. Now, however, with the largest crop in our history, nearly 19,000,000 bales, our policies have so encouraged competition abroad that despite this immense crop the other cotton-growing countries of the world have produced more than we have. The committee plan proposes to increase the price of cotton all over the world every time it increases the price of American cotton. Every time a dollar is added to the income of the cotton farmer in Georgia by this program it will increase the income of the cotton farmer in Brazil, the coolie in China, and the regimented labor of Russia. I am not interested in increasing the income of any farmer outside of the United States.

The substitute proposes to help the cotton farmer of America by establishing the two-price system here, and whether it is accepted today or later, I believe the time will come when all will agree that it is the only permanent solution to our problem.

Even if the committee plan works as its advocates hope, it will benefit other countries more than our own, and will supply the farmers of other countries with the means of eliminating our last substantial agricultural export.

Put the farmer on the domestic-allotment plan, assure him at least the cost of production for that which he sells domestically, and then if he wishes to take his chance in the world market, it is his business and his grief if he does not make a profit. I am not opposed to some mild form of restriction of production in cotton. It might be necessary even if the domestic-allotment plan were adopted in this bill, but I do know if we continue to pursue our present policy of cutting down cotton production in this country it means inevitably the loss of our foreign markets, and even the supporters of the bill concede it will eventually mean that we will be limited to seven or eight million bales of cotton each year.

I believe the cotton farmers will be disappointed with the results attained from the policy of the committee bill. There is such a huge carry-over of cotton that we have no assurance whatever, even if we reduce the production of cotton in the United States to 10,000,000 bales, that it will mean any substantial increase in the price of that 10,000,000 bales. But conceding for the sake of the argument that it would increase the price of cotton in the United States, and I am quite sure those who believe the committee proposal is superior to the substitute offered by the Senator from Oklahoma [Mr. LEE], hope it will increase the price of cotton to 12 cents a pound next year on the basis of a 10,000,000-bale crop, what effect would that have if the world produces 20,000,000 bales next year? It would mean that we would have increased the price of cotton farmers of the world by \$500,000,000, whereas by reason of curtailed production in this country we would not have any greater income for the cotton farmers of the United States.

I was interested when my distinguished friend from Alabama [Mr. BANKHEAD] presented charts and figures which showed how closely the price of world cotton followed American cotton in the market. He said that over a long period of years we had had the experience of Indian cotton and world cotton approximately 80 points below the price of American cotton, with Egyptian cotton slightly higher. If that is true, when we curtail production in the United States we are aiding the cotton of other producers of the world by increasing their prices to where it is inevitable they will put us out of the world markets and even invade the domestic cotton market.

We boast of our high standards of living in this country and the fact that our wages are higher and our people enjoy more of the good things of life than in any other land. Despite the wealth of this Nation which the cotton farmer has dug out of the ground, his income is lower and his standard of living is poorer than that enjoyed by those engaged in any other vocation. This is not his fault. It is due to

the fact that he has been left in competition with the lowest-paid labor in the world while sending his goods abroad to bring back the wealth and products of other lands, which, due to the tariff, has not benefited him but has increased the wealth of the industrial sections. American manufacturers of farm machinery, of clothing, of shoes, of household utensils, in fact, of every article that the farmer is compelled to buy, enjoy the benefits of the two-price system due to the tariff. The industrialist sells abroad for much less than the domestic price fixed on his product. One Senator related on the floor the other day that a citizen of his State had bought either a reaper or a binder in Norway, which was manufactured in the United States, shipped across the ocean to Norway, and that he saved money by purchasing the implement in Norway and shipping it back into the United States and across the continent. There is an illustration of the two-price system as applied to industry. In common justice the cotton farmer is entitled to the same system for his product.

It will be said by some of the economists in the Department of Agriculture that, if the income of India, Brazil, Mexico, Russia, and China is increased, it will increase world trade, and that therefore our industries would benefit by being permitted to sell more goods to those countries. It cannot have that effect on cotton, because the countries that sell the cotton will be required to trade and traffic with those who purchase the cotton.

Mr. President, we are seeking in this substitute to apply the philosophy of the tariff and the two-price system to the cotton farmers of the country. They are the poorest people in the United States today. They have less income than any class of farmers, and farmers generally have the lowest income of any class of people in the United States today. For 100 years they have been slaving at the most arduous and unremitting toil in the production of cotton. It is back-breaking work, as everyone knows who knows anything about it. But today we are told that we cannot have a two-price system for the farmer, such as is applied to those from whom he purchases his goods, because it would be a step in the direction of fascism. The cotton farmer is entitled to this two-price system. If it were given to him, we would see that a large part of the ills of the South will have been overcome.

Mr. President, I hope that the proposal can be taken to conference. We know the House has adopted a cotton section in the bill it passed, which is very similar to that which is found in the Senate bill. If the matter goes to conference, perhaps something can be worked out that will permit it to be submitted to the farmers of the South for a vote as to whether or not they prefer the committee plan as embraced in the bill or the proposal advanced by the Senator from Oklahoma [Mr. LEE].

I do not like to venture into the field of prophecy, but I believe as firmly as I believe I am standing here that the cotton farmers of the South would approve overwhelmingly a domestic allotment plan with a guaranteed price if they had an opportunity to vote on it. The only proposition to be submitted to them under the committee bill is some curtailment of the production of cotton.

We know that the bill proposes to reduce the production of cotton in the United States to 10,000,000 bales. We no longer dominate the world market in cotton. Only since we have started our program of reduction, which is the only thing we could do under the circumstances in 1933, the world production has far passed the production of the United States.

I say to Senators from the industrial States that they have a vital stake in maintaining the world market for American cotton.

The cotton farmer will consume the products of your factories and keep your labor employed if you will give him a living wage for his commodity.

For the past 100 years the balance of trade in favor of the United States has approximated \$37,000,000,000. Thirty-five billion dollars of that is represented by cotton and cotton goods. Has the cotton farmer got that money today? He is the poorest class in the country today due to the iniquitous

tariff system imposed upon him. He has enriched the Nation and impoverished himself, and he comes now and asks for simple justice at the hands of the United States, that he be permitted to have at least a living price for the cotton that is domestically consumed within the United States.

Mr. President, I hope the Senate will consider the matter carefully. It also affects those Senators here representing wheat States, and States producing corn and other kinds of farm commodities, because there are sections of the cotton States where we can produce wheat and corn and livestock as profitably as anywhere in the world. If the cotton farmer is given a chance, if he is given anything approximating a living wage—and the substitute will only allow him 20 cents a pound for the cotton that is consumed domestically—if he is given any kind of a chance he will not invade the field of wheat and corn; but our people are not going to starve, and within a few years it will be found that taking away the world market from the cotton producer of the United States will have had a serious effect upon the prices of corn and wheat, hogs and cattle, because the cotton farmers will have been driven to producing those commodities through a policy that would curtail their production of cotton, does not guarantee to them a price that is a living wage, and which takes away from them the world market for the sale of American cotton which has made us a great commercial Nation.

Mr. BAILEY. Mr. President, it is a remarkable but, I think, a timely observation that the Congress of the United States appears to have assumed that what the Supreme Court said in the principal opinion by Mr. Justice Cardozo is an arrow flight to the left with the Secretary of Agriculture and the President of the United States. Just a few days ago the President courageously warned us against increasing the expenditure on account of this pending legislation beyond the \$500,000,000 heretofore appropriated. But when the matter came before us by way of an amendment to limit the expenditure to \$500,000,000, the Senate rejected it by an overwhelming vote.

In today's paper is a statement given to the press in a formal press interview by Secretary Wallace, which I think I should read to the Senate. Speaking of certain measures here, and I think speaking generally with reference to the measure now before us, the Secretary uttered these words as quoted in the daily papers:

"These plans," said the Secretary, "in order to be carried out, involve licensing of all businessmen who purchase farm products. They involve licensing of all farmers. If the situation were absolutely desperate, it might be all right to do that, but if the situation gets that desperate, then you are in the gravest danger of having to take a step toward fascism, autocracy, and so forth."

Mr. POPE. Mr. President, will the Senator yield?

Mr. BAILEY. I shall be glad to yield later. I am reading the Secretary's statement. I will yield when I get through reading the statement, but let me finish reading it.

It is unusual that some people who profess the utmost horror toward fascism aren't joining us—

That "joining us," I take it, means joining the administration—

to solve the problem in a reasonable way instead of making it as difficult as possible to solve it in a reasonable way. They make it possible for people who take an extreme view to launch on something which is quite out of step with the genius of our institutions.

This is the situation as I sense it.

I am grateful to the Secretary of Agriculture for the warning he has given us and the warning he is giving the country.

Mr. POPE. Mr. President—

Mr. BAILEY. Not yet.

I express just a word of amazement that, whereas just a few years ago there was a tremendous protest here against the alleged radicalism of Mr. Secretary Wallace, the situation is such that Mr. Secretary Wallace has now publicly to warn and to rebuke us for our radicalism. I think the warning should go home to us and all the American people.

I know the bill we are about to pass is not going to be the law.

Mr. POPE. Mr. President—

Mr. BAILEY. I shall yield to the Senator in a moment.

But I rather suspect that nothing like it will be the law. I am inclined to think it would be useless at this stage to recommit it. I think if we recommitted the bill that not much could be done about it. The House has passed a bill. We are passing a bill. The conferees perhaps in the Christmas holidays—I do not think within the time that remains in the special session—may work out a proper bill; but the Senate conferees within the Christmas holidays I hope will take all of the Senate's proposals—and I should not object to them taking all the amendments offered from whatever source—take them to conference and sit down with the conferees on the part of the House and work out a proper bill for the Congress to pass.

I join with Mr. Secretary Wallace, and I am happy to join with him, in the warning, and it is a very plain warning, that the Congress of the United States at any rate now appears to be leading the way to fascism and autocracy, and I think it comes from the very man from whom it ought to come. Now I yield to the Senator from Idaho.

Mr. POPE. Mr. President, the Senator made a statement a few moments ago which I think is entirely erroneous, and I am sure he would not want to leave an erroneous impression.

Mr. BAILEY. I would not. I will be very glad to have any correction that may be justified.

Mr. POPE. The statement from which the Senator read in the newspaper relates, I am assured, to the price-fixing substitutes which are offered as amendments to the bill, and I will again call the attention of the Senator to the Secretary's letter, in which he stated:

I have already made known to you, to the Agricultural Committees of the Congress, to the public, my support of the principles back of this legislation.

So I think I can safely say, and I have been assured this morning, that the reference which the Senator read has to do with the price-fixing substitutes offered as amendments to the pending measure.

Mr. BAILEY. I am perfectly willing to have it appear that Mr. Secretary Wallace did make the statement in the light of proposed amendments, and that he had in mind in part the amendment proposed by the junior Senator from Oklahoma [Mr. LEE] and also the amendment about to be proposed by the junior Senator from California [Mr. McADOO]. But Mr. Secretary Wallace has made two statements on this subject. One was in a formal letter to a Member of the Senate, and the letter was read here just a few days ago. In that letter the Secretary warned us against the expenditures under the proposed legislation before these amendments were proposed. The letter was interpreted here in my hearing by Senators as being a protest against the bill; and, if I am not mistaken, the letter also called attention to the fact that we were proposing to pass a bill which would cost the Government a billion dollars.

I take it that the statement the Secretary has issued, while it may have been induced by these amendments to which we have referred, is made in the light, first, of his letter; second, in the light of the amendments; and, third, in the light of the whole tenor of affairs. So I do not think it is necessary to say that I made an erroneous statement. I am interpreting the statement in the light of the Secretary's letter and of the whole situation.

Mr. MCGILL. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. MCGILL. I have no doubt the Senator from North Carolina has read accurately from what appeared in some newspaper. I do not know from which paper he may have read.

Mr. BAILEY. I read from the Herald Tribune, on the front page, and it was also in the New York Times.

Mr. MCGILL. In the New York Times article I observe, if the Senator will yield, that this is the statement:

These price-fixing programs, which sometimes are called domestic allotment plans, sometimes the two-price system, in order to be carried out, involve licensing all businessmen who purchase farm products. They also involve licensing all farmers.

I would take it from that the Secretary was discussing the amendments proposed by the Senator from Oklahoma [Mr. LEE] and the Senator from California [Mr. McAdoo].

Mr. BAILEY. Mr. President, let me proceed and read the remainder of his statement:

This is the situation as I sense it.

These are Mr. Wallace's words:

There is a feeling that other groups use the Government's power to impose a type of scarcity for their own profit—

I now turn to page 21—

And farmers don't see any reason why I should frown on farmers using Government power to do the same. They say "Why not meet fire with fire? Why not have a showdown?" But just because other elements do these things I don't see why the farmers should.

If we began a program like that, we would have a downward spiral of scarcity. I don't see why the Government should stand for that kind of thing. As Secretary of Agriculture, my obligation is to see if something can't be worked out for farmers to cooperate in bringing about an ascending spiral of abundance instead of a descending spiral of scarcity.

There is the whole statement, and I let its interpretation rest upon the intellects of the Senate, and am perfectly willing to interpret it in the light of what any Senator may say. But I cannot read anything in that, especially in view of the letter the Secretary wrote, and which was the subject of a long debate, except that Mr. Wallace sees that there is grave danger that the Congress will go very far to his left. I am very grateful to have him give us the warning, and I wish fully to support it.

Mr. MCGILL. Mr. President, will the Senator yield a moment?

Mr. BAILEY. I yield the floor, unless the Senator wishes to ask a question.

Mr. MCGILL. Just for a question. The article the Senator has read is from the New York Herald Tribune. I was reading from the New York Times. I have read a similar statement in the Washington Post. I observe these statements do not exactly coincide one with the other, and I take it that whatever the Secretary may have said at a press conference was an oral statement, not prepared in writing, and that the various writers for newspapers have put different interpretations upon it.

Mr. BAILEY. Mr. President, that is the usual way of trying to minimize something one does not like. If any Senator wishes to do that, very well. The ostriches in Africa have always had the habit of sticking their heads in the sand when they got ready, but I never heard of one getting very far by that process.

The statement of the Secretary is before the Senate. Let Senators interpret it as they please. I interpret it as a protest and warning against radicalism in the Congress.

Mr. MINTON. Mr. President, I do not think we should be unduly alarmed about the observations of the Secretary of Agriculture that the Congress of the United States may be going Fascist. It is just possible that the Secretary of Agriculture has been reading the Vandenberg manifesto.

Mr. ADAMS. Mr. President, I have been reading the remarks of the junior Senator from Oklahoma [Mr. LEE], and I should be obliged to him if in my time he would give some additional information as to what his proposal would cost the United States. I gather from his remarks that he proposes that the Government shall lend 20 cents a pound on the prescribed amount of cotton. If that amount were 10,000,000 bales, there would be 5,000,000,000 pounds; that is, we would then have a loan of a billion dollars. I should like to know just how the Senator figures the cost to the Government.

Mr. LEE. Mr. President, I appreciate the opportunity to clarify that matter. In the first place, in regard to price-fixing being a step toward fascism, there is in the bill no licensing feature. The price-pegging is based on a loan device which we have used before, making it illegal to buy for processing in the United States cotton which is not tagged.

The loan device provides that the Commodity Credit Corporation shall lend to a farmer at parity, or 20 cents a

pound, whichever is the smaller, only on the amount it is estimated we will consume in the United States, which will have to be announced previously. Let us say the farmer is allotted eight bales of cotton for the domestic market. After each farmer has been given his allotment the Secretary will then issue him eight bale tags, and it shall be illegal for a processor or miller or manufacturer of cotton goods to manufacture any cotton goods for use in the United States from cotton which is not tagged in the manner explained.

Suppose a farmer takes his cotton to town and it is tagged, and he desires to sell it, but no buyer appears. Then he can apply to the Commodity Credit Corporation for a loan on it. The processors will have to buy cotton from the Commodity Credit Corporation because the amount to be processed in the United States is limited to the amount we will use, so they cannot buy it anywhere else, and they will be forced to pay the Commodity Credit Corporation any interest that may have accumulated, any carrying charge, any warehousing charge.

The miller will, therefore, say to himself, "Why should I pay that extra charge? I will put a buyer down here in the market and buy the cotton directly from the farmer." That is the way it would work. If the Commodity Credit Corporation did have to advance money for a loan it would be only a temporary matter, because before the season ended the manufacturers would need cotton for manufacture in the United States.

The bill protects the manufacturer in his foreign trade by allowing him to buy the untagged cotton at the world-market price for the manufacture of goods he will sell abroad. In addition, through the sliding tariff scale, there is provided protection of his home market from importations from abroad.

If the Senator will be kind enough to allow me to go a little further—

Mr. ADAMS. I shall be glad to have the Senator do so.

Mr. LEE. As explained before, it takes a man-hour of labor to produce a pound of cotton. The figures as to that have been furnished by Colonel Westbrook, who for the years we have had the W. P. A. has been accustomed to figuring man-hour labor. He figures it takes 1 man-hour of labor to produce 1 pound of cotton. Therefore, the price we allow for cotton is the price per hour for raising it. It is the price per hour we are fixing for those who toil in the cottonfields.

If we cut off only 7,500,000 bales of cotton—and from the amount we produced this year it will take more than that to cut our production down to 10,000,000 bales, but let us figure that we cut off 7,500,000 bales of cotton next year—that will put out of employment a billion and a half man-hours of labor. Figure that billion and a half man-hours of labor at the price we pay relief labor, and it will mean that we will have to appropriate \$600,000,000 to take care of the same people we put out of employment by cutting off seven and a half million bales.

Which would Senators rather vote, a price-pegging system or a loan that we have used before, to fix the price at 20 cents a pound or 20 cents an hour, whereas relief labor gets 40 cents? We fix our minimum wage at 40 cents. Is there a man here who represents the cotton section of the United States who can afford to vote against 20 cents a pound, 20 cents an hour, for the most degraded labor in the United States, of the poorest people? In the North and the East there are slums, and we voted money to correct slum conditions. There are the sweatshops, and we have tried through legislation to cure the conditions in the sweatshops. But we have a type of people in the South in a more deplorable condition than those in the sweatshops or in the slums, in my opinion.

As to the cost, I understand from an article by Colonel Westbrook that the peso will buy three times as much as the dollar. Therefore, when the peon gets a peso's worth of cotton production, he is three times better off than the man who produces a dollar's worth of cotton in this country.

But by the proposed device we can improve the buying power and that, on the part of Senators who represent the unaffected district, so far as cotton is concerned, will be bread cast upon the waters. It will come back to them with butter and jam smeared all over it, because those people will start spending and start buying with the money they get. Senators from these other districts cannot afford not to do something to help the farmer. His situation is the result of political action by virtue of the tariff, and by political action we can change it.

The result down there is not the result of God Almighty's doings. It is man-made, and man can correct it. We can correct it today. We can vote for this substitute today, and it will correct the condition next year. The cotton farmer will then begin buying in the United States markets, and those who represent other sections will benefit by it. By reason of what we do in trying to raise the price of cotton, by raising the price of production—

Mr. ELLENDER. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LEE. Mr. President, a parliamentary question.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LEE. Is what is now occurring to be taken out of the time of the Senator from Colorado [Mr. ADAMS]?

The PRESIDENT pro tempore. No; it is not.

Mr. ELLENDER. Mr. President, I make the point of order that the Senate has no right to consider the substitute at the present moment.

On page 9 of the substitute, section 36 provides:

SEC. 36. The President and the Tariff Commission are hereby authorized and directed to promulgate such rates of import duties on cotton, articles processed from cotton, and cotton substitutes as will bring the basic price of raw Middling cotton to the parity price fixed by the Secretary.

Mr. ADAMS. Mr. President—

Mr. ELLENDER. Just a moment. The Constitution, in article I, section 7—

Mr. ADAMS. Mr. President, I have the floor. If a point of order is raised against my retaining the floor, that is one thing. However, the point of order that is raised now is against the consideration of an amendment. I have the floor, and I do not think the point of order should prevail against my right to ask a question and obtain information.

The PRESIDENT pro tempore. The occupant of the chair has held time and again that that sort of a parliamentary question cannot be raised without the consent of the Senator having the floor, and that a Senator cannot be taken off his feet for that purpose. Therefore, the point of order is not in order until the Senator from Colorado sees fit to yield the floor for that purpose.

Mr. ELLENDER. I thought the Senator from Oklahoma had the floor, Mr. President, and that he had yielded to me.

Mr. ADAMS. Mr. President, the Senator from Colorado has the floor.

The PRESIDENT pro tempore. The supposition of the Senator from Louisiana is a natural one; but, as a matter of fact, the Senator from Colorado has the floor.

Mr. LEE. Mr. President, will the Senator from Colorado yield to me for one final statement?

Mr. ADAMS. I yield.

Mr. LEE. I will say that our effort to raise the world market price by reducing our own production, having the result that when we reduce, others increase production, and when we go back they advance, is just about as effective as a billy goat butting at the end of a swinging rope.

Mr. ADAMS. Mr. President, a further question. In the Senator's statement last night, he said that his proposal would not require any appropriation from the Treasury. I am wondering how we are going to loan 20 cents a pound on cotton without an appropriation from the Treasury.

Mr. LEE. Mr. President, I understood that Mr. Jesse Jones talked to a number of Senators and told them that he had enough money now and could get enough money to buy the entire surplus crop. I presume the Commodity

Credit Corporation has some money. As I pointed out, we shall not need to have enough money to loan 20 cents a pound on the entire crop, because the buyer will buy directly. The money used for loans in that case would not be in the form of an appropriation. The Corporation already has enough to carry out this program. Of course, the administration would cost money, but any program is going to cost money.

Mr. ADAMS. Does the Senator see any difference between costing the R. F. C. and costing the Treasury?

Mr. LEE. The R. F. C. has the money. It will not require an additional appropriation to put it in the hands of the R. F. C. If Mr. Jesse Jones can get it, as he stated to the Senators, without appropriation, then that makes my statement good. It is a loan, and not a gift, because it comes back, even though it is temporarily borrowed.

Mr. ADAMS. Mr. President, one further question: Under the Senator's substitute, he proposes to restrict the amount of cotton which may be sold upon the American market. The restriction in the available supply necessarily reflects the price. That is the operation of demand against supply. Could not the Senator accomplish the same result if he limited the American sale without lending 20 cents a pound? Suppose he provided for lending 12 cents or 12½ cents a pound. Could not the same results be accomplished without the strain on the Treasury or the R. F. C. which the Senator's plan involves?

Mr. LEE. It might be so; but the farmer would perhaps be confronted with a few weeks' or months' delay in selling his crop. He would not be assured that he could get it. Then we also should run into the direct price-fixing methods which I wish to avoid by doing it by the loan-device method.

Mr. ADAMS. Of course, it seems to some of us that a 20-cent loan represents almost a purchase of cotton—that is, when one thinks of the transaction in terms of the cotton price.

Mr. LEE. It would amount to that with respect to the Commodity Credit Corporation loan; but it would be for a very short time, because the millers would have to have that cotton to finish their season.

Mr. ADAMS. I will merely say that it would be a great deal easier for some of us if the Senator could reduce the 20-cent loan to somewhere within the range of cotton prices.

Mr. POPE. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. POPE. Under the program suggested by the Senator from Oklahoma [Mr. LEE] of course a tariff would be necessary to protect the American markets and the producers of the domestic supply of cotton. That is contemplated and recognized in the bill. Then we have this provision, being section 36:

The President and the Tariff Commission are hereby authorized and directed to promulgate such rates of import duties on cotton, articles processed from cotton, and cotton substitutes as will bring the basic price of raw Middling cotton to the parity price fixed by the Secretary.

Mr. ADAMS. It would be absolutely essential that there should be a tariff provided in some way in order to protect the farmers.

Mr. POPE. Let me ask the Senator from Colorado if he thinks this would be a proper legal and constitutional way to do it.

Mr. ADAMS. I ask the Senator from Idaho if he will, in my time, ask the same question of the Senator from Oklahoma [Mr. LEE] that he asked of me.

Mr. POPE. Mr. President, does the Senator think the President and the Tariff Commission can fix tariff duties under such a provision as this, and with the bill originating in the Senate?

Mr. LEE. I will say to the Senator that the tariff measure does not originate in the Senate. There is simply a reference to it in the substitute. The President and the Tariff Commission are already performing that function under the powers formerly granted to them. The provision simply is a direction to carry out the duty already conferred

upon them. As to the complication which it might involve as compared with the bill which the committee is supporting, it seems to me that would be a primer compared to calculus.

The PRESIDENT pro tempore. The time of the Senator from Colorado on the amendment has expired.

The Chair recognizes the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I desire to renew the point of order which I made a few moments ago.

I again desire to state that section 36 of the substitute provides:

The President and the Tariff Commission are hereby authorized and directed to promulgate such rates of import duties on cotton, articles processed from cotton, and cotton substitutes as will bring the basic price of raw Middling cotton to the parity price fixed by the Secretary.

Article I, section 7, of the Constitution provides:

All bills for raising revenue shall originate in the House of Representatives, but the Senate may propose or concur with amendments as on other bills.

Mr. President, it is evident that section 36 of the substitute, to which I have just referred, attempts to raise revenue, or gives the power and the right to raise revenue, on cotton and cotton goods. I am informed that there is no tariff at all on cotton except on long-staple cotton. As to all cotton with which we are now dealing, as I understand section 36, the President would be given the right to fix a rate of a sufficient amount to carry out the purposes of this measure.

USE OF LETTERHEADS OF SENATE COMMITTEE ON THE JUDICIARY

Mr. ASHURST. Mr. President, I beg the pardon of the Senate for the presumption now displayed in asking the Senate to hear me for a moment on a subject important but not related to the pending bill. My purpose in arising is to—

The PRESIDENT pro tempore. Does the Senator from Arizona [Mr. ASHURST] desire to address himself to the point of order that was raised.

Mr. ASHURST. No, Mr. President.

The PRESIDENT pro tempore. If the Senator will yield for a moment. Under the rule, when a point of order is made involving the Constitution of the United States, it becomes the duty of the Chair to submit the question immediately to the Senate.

Mr. ASHURST. That point of order is now debatable, is it not?

The PRESIDENT pro tempore. It is debatable.

Mr. ASHURST. My thanks to the President pro tempore.

The PRESIDENT pro tempore. The question is now submitted to the Senate. The Senator from Arizona is recognized.

Mr. ASHURST. Again I ask the Senate to pardon me for presuming to make a very brief reference to a matter not at all related to the point of order or to the pending bill. My purpose in arising is to direct the attention of the Senate and the country to what appears to be a flagrant, unauthorized misuse of letterheads of the Senate Committee on the Judiciary. A certain organization calling itself the National Committee to Vindicate Tom Mooney, 1622 Nineteenth Street NW., Washington, D. C., has sent, presumably, to many Senators—certainly to one Senator who brought the subject to my notice—a circular letter. The matter underneath the letterheading is respectable and proper, but the circular letter bears the photograph or photostat of the letterhead of the Senate Committee on the Judiciary. The evident intent of the use of the letterhead is slyly, cunningly, adroitly, and in an underhanded fashion to make some simoleon believe that the Senate Committee on the Judiciary is in some way connected with this organization. I have no authority to speak for any of the other members of the Senate Committee on the Judiciary, but I shall presume far enough to say that no member of that committee has authorized the use of stationery of that committee for this or any other like purpose.

As is well known to every informed person, Washington, D. C., for a decade—yes, for more than a decade—has been engorged with oleaginous lobbyists, or if Senators prefer, "parliamentary solicitors", who by devious and cunning methods waylay Senators and Representatives; these lobbyists are not trying to add to the efficiency of our Government, but are trying to take something out of the Government. Notwithstanding that fact, these citizens, to wit, the National Committee to Vindicate Tom Mooney, have the right to organize themselves into lobbies. Citizens have as much right to form an organization to attempt to free Tom Mooney as they have to organize themselves in an attempt to secure a loan from the R. F. C.

Mr. President, I do not inveigh against this Mooney organization as such. In fact, there is now an organization being promoted to petition the proper powers in Great Britain to restore Edward VIII to the throne. Such organization might be offensive to a foreign government, but American citizens possess such rights. There is no law in the United States to prevent a man making a fool of himself if he chooses.

In my public career I have never looked with any degree of support or sympathy upon antilobbying bills. I doubt if I have ever voted for a bill against lobbyists, for this reason: The Senator himself must protect himself against a lobbyist. A Senator or other public man who is so weak that he must have a sentinel to guard him and protect him all the time against lobbyists is not worth the sentinel's pay. So I never have worried about antilobbying bills.

The members of the Senate Committee on the Judiciary are as follows: WILLIAM H. KING, M. M. NEELY, PATRICK MCCARRAN, FREDERICK VAN NUYS, M. M. LOGAN, WILLIAM H. DIETRICH, GEORGE MCGILL, CARL A. HATCH, EDWARD R. BURKE, KEY PITTMAN, TOM CONNALLY, JOSEPH C. O'MAHONEY, JAMES H. HUGHES, WILLIAM E. BORAH, GEORGE W. NORRIS, WARREN R. AUSTIN, FREDERICK STEIWER, and your humble servant as the chairman.

I have not talked with any member of the committee on this Mooney letter, but I am confident that not one of them has directly or indirectly authorized the use of the committee's letterhead in any such manner.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ASHURST. Will the Senator from Wyoming pardon me for just a minute?

There is before the Senate Committee on the Judiciary a resolution, submitted by the able Senator from Montana [Mr. MURRAY], memorializing Hon. Frank Merriam, Governor of California, to grant a full pardon to Thomas Mooney, and so forth. The Senator from Montana had a right to submit such a resolution. These resolutions are not without precedent. Such resolutions have been introduced before, though not on this particular subject. The resolution was by myself, as the chairman of the Senate Committee on the Judiciary, on June 7 last, referred to a subcommittee composed of Senators O'MAHONEY, chairman, NEELY, HUGHES, MCCARRAN, and STEIWER.

I shall, in a moment, yield to the able Senator from Wyoming [Mr. O'MAHONEY], because I am sure he will be able to give the Senate some information upon this subject.

Again I say that I find no fault with an organization to secure legislation petitioning for the release of Tom Mooney. I see no fault or violation of proprieties in citizens organizing themselves to equip an expedition to the moon, to fortify the moon against a warlike attack from Mars, if they desire to do so, and I again say that I wish it distinctly understood that I am not inveighing against this Mooney organization which, however, is certainly naive in assuming that it can make anybody believe that the Senate Committee on the Judiciary has aught to do with its organization other than to accord to it a respectful hearing. The Senate Committee on the Judiciary grants to all citizens a hearing on any subject pending before it on which any citizen wishes to be heard.

I now yield to the able Senator from Wyoming [Mr. O'MAHONEY], the chairman of the subcommittee, and before

I take my seat let me say that I cannot too highly commend the diligence, the assiduity, and the ability with which the chairman of the subcommittee has addressed himself to this Mooney resolution.

Mr. O'MAHONEY. The Senator overwhelms me.

Mr. ASHURST. One more word. It must not by any intendment be assumed that I think any criticism should come to the Senator who submitted the resolution; he is one of the ablest of our Senators. Again I say, such resolutions are not without precedent. They are usual, and no blame, no criticism, should fall upon any Senator for submitting such a resolution.

I yield the floor.

Mr. O'MAHONEY. Mr. President, I am sure it is altogether unnecessary to say in this body that no member of the Judiciary Committee, including the members of the subcommittee, would ever have thought of authorizing the use of the stationery of the committee for the purpose of raising funds for any activity, particularly for an activity concerning a matter pending before the members of the committee in their capacity as representatives of the Senate.

It ought to be made clear to the country, however, for the protection of persons who might be misled by this unauthorized use of the committee's stationery, that neither the subcommittee, the full committee, any member of the committee, nor any Member of the Senate has participated in this effort to collect funds by creating the impression that it is sponsored officially by the Senate or some of its Members.

As a matter of fact, I think this use of a photostatic copy of the letterhead of the Judiciary Committee has done more than any other thing possibly could have done to prejudice the case of Mr. Mooney as presented to the Senate in the resolution under consideration by our committee. I think I am not making any unauthorized statement or revealing any secret when I say that the members of the subcommittee have all indicated a very deep sympathy with Tom Mooney, and a desire to be helpful to him.

The question which has been under consideration by the subcommittee is whether or not Tom Mooney should be subpoenaed to appear before the subcommittee. We allowed the representatives of Mr. Mooney to appear and make an argument in support of the contention that the committee has the power to summon him from his place of incarceration in California to Washington to present his cause here.

The members of the committee, I think, are unanimously of the opinion that inasmuch as the resolution which has been submitted to us constitutes merely a request to the Governor of California to exercise his jurisdiction, and is not in any sense a legislative matter, even though it were desired by the members of the committee to issue a subpoena, the committee has not that authority, and the Senate has not that authority.

Mr. ASHURST. Mr. President, after the clear and, in my judgment, accurate statement of view from the able chairman of the subcommittee, I wish to pursue this matter no further, fearing that if I should pursue it further it might in some way react against the man incarcerated in prison, of whose case I know nothing. His case is purely a matter to be determined by the State of California, through her executive; and upon that authority I shall not trench. I know that if I were speaking for Arizona, Arizona would look with indignation and contempt upon any resolution from Congress asking her executive to do anything committed solely to his discretion. In Arizona we are a bold and a free people. We enforce the law and pay our debts, and take dictation from no one, not even Washington. I assume that California will do the same thing.

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Mr. BORAH. Mr. President, I understood that the Chair was about to submit the point of order to the Senate.

The PRESIDENT pro tempore. The Chair has submitted it, but will again state the question.

The Senator from Louisiana [Mr. ELLENDER] makes a point of order against section 36 of the substitute amendment on the ground that it contravenes section 7 of article I of the Constitution, providing that revenue bills shall originate in the House of Representatives. Under the rules of the Senate it is the duty of the Chair to submit the question to the Senate, which he has done. The question is, Will the Senate sustain the point of order or will it overrule the point of order? Those who are in favor of sustaining the point of order will vote "yea," and those who are opposed to sustaining it will vote "nay."

Mr. BORAH. Mr. President, the question with me is whether the point of order has not been prematurely raised. May a point of order be raised against a Senator debating a proposition of this kind in the Senate? Debate on this matter is now proceeding; and certainly I know of no rule which would prevent a discussion of a measure having in it a particular section of this kind.

It seems to me the objection comes prematurely. It could properly come only when it was undertaken to vote upon the matter which is the subject of the point of order.

Mr. BARKLEY. Mr. President, in reply to the Senator from Idaho, I suggest that a point of order is in order at any time after a proposition is offered to the Senate. A Senator discovering a fatal defect from the constitutional standpoint, and making the point, does not have to wait until all the argument on the merits of the question is exhausted. It seems to me the point of order could have been made immediately upon the offering of the substitute by the Senator from Oklahoma.

The PRESIDENT pro tempore. The Chair is of the opinion that when an amendment is tendered it is subject to a point of order, and the point of order may be made at that time.

Mr. LEE. Mr. President, I wish to discuss the point of order.

In the first place, I think no one would rule that this amendment is a revenue-raising amendment. The provision referred to is only incidental to the purpose of the amendment. It is not any more directly connected with revenue raising than the penalties provided in the committee bill, which would raise revenue; but they are incidental to the purposes of the bill. This likewise is incidental, and it is not the purpose of the amendment to raise money. It has been done before. Other bills have carried incidental penalties or provisions that no doubt would result in some income to the Treasury, such as the penalties in the committee bill; but no one would say that the purpose of that bill is to raise money.

I think no fair estimate of the amendment would say that the purpose of the amendment is to raise money. That is the purpose of a revenue bill. Therefore we are rather straining a point and putting a bridle on our own activities when we say that a penalty or a means of carrying out the purpose of the measure when it is purely incidental, as this is, is beyond the reach of our power.

Mr. BANKHEAD. Mr. President, is the question whether or not the section which is the subject of the point of order violates the provision of the Constitution which requires all bills raising revenue to originate in the House of Representatives?

The PRESIDENT pro tempore. That is the question which is raised by the point of order.

Mr. BANKHEAD. I merely desire to read the section in question:

The President and the Tariff Commission are hereby authorized and directed to promulgate such rates of import duties on cotton, articles processed from cotton, and cotton substitutes as will bring the basic price of raw Middling cotton to the parity price fixed by the Secretary.

Mr. President, I submit that of course that section provides for a tariff.

I have no more to say, and yield the floor.

Mr. LEE. Mr. President, I should like to modify the amendment by striking out that provision.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will please state it.

Mr. RUSSELL. If the Senate should sustain the point of order made by the Senator from Louisiana, would it go to the entire amendment or would it merely strike out the section which, it is charged, offends against the provision of the Constitution?

The PRESIDENT pro tempore. It would simply go to that portion of the amendment if the Senate held that that portion of the amendment constituted an unconstitutional amendment. If the Senator should strike out that section—

Mr. LEE. I have just asked that that be done.

The PRESIDENT pro tempore. Then the question would arise as to the rest of the amendment.

The Senator from Oklahoma desires to withdraw that section from his amendment. He has a right to do that before the question is submitted. Does the Senator from Oklahoma modify his amendment by withdrawing section 36 from it?

Mr. LEE. I do.

The PRESIDENT pro tempore. The amendment having been modified, and section 36 having been withdrawn, that being the subject of the point of order, there is no necessity of presenting the point of order to the Senate.

The question is on agreeing to the amendment of the Senator from Oklahoma, as modified, in the nature of a substitute for the amendment reported by the committee.

Mr. LEE. On that question I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. NYE (when his name was called). On this question I have a pair with the senior Senator from Illinois [Mr. LEWIS]. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. MINTON. I desire to announce that the senior Senator from Illinois [Mr. LEWIS] is unavoidably detained. I am authorized to state that if he were present he would vote "nay."

Mr. GLASS. I have a general pair with the senior Senator from Minnesota [Mr. SHIPSTEAD]. In his absence I withhold my vote.

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY] and the Senator from Ohio [Mr. DONAHEY] are unavoidably detained.

The Senator from North Carolina [Mr. BAILEY], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Utah [Mr. KING], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

On this question the Senator from Arkansas [Mrs. CARAWAY] is paired with the Senator from Michigan [Mr. VANDENBERG]. I am not advised how either Senator would vote if present.

The result was announced—yeas 26, nays 56, as follows:

YEAS—26

| | | | |
|----------|-----------------|----------|---------------|
| Austin | Frazier | Lodge | Thomas, Okla. |
| Borah | Gibson | McCarran | Townsend |
| Bridges | Hale | McNary | Truman |
| Capper | Hitchcock | Miller | Walsh |
| Chavez | Johnson, Calif. | Reynolds | White |
| Copeland | Johnson, Colo. | Russell | |
| Davis | Lee | Steiwer | |

NAYS—56

| | | | |
|--------------|-----------|-------------|-----------|
| Adams | Burke | Green | McAdoo |
| Andrews | Byrd | Guffey | McGill |
| Ashurst | Byrnes | Harrison | McKellar |
| Bankhead | Connally | Hatch | Maloney |
| Barkley | Dieterich | Hayden | Minton |
| Bilbo | Duffy | Herring | Moore |
| Bone | Ellender | Holt | Murray |
| Brown, Mich. | George | La Follette | Neely |
| Brown, N. H. | Gerry | Logan | Norris |
| Bulkeley | Gillette | Loneragan | O'Mahoney |
| Bulow | Graves | Lundeen | Overton |

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Pepper
Pittman
Pope

Schwartz
Schwellenbach
Sheppard

Smathers
Smith
Thomas, Utah

Tydings
Van Nuys
Wagner

NOT VOTING—14

Bailey
Berry
Caraway
Clark

Donahey
Glass
Hughes
King

Lewis
Nye
Radcliffe
Shipstead

Vandenberg
Wheeler

So Mr. LEE's amendment, in the nature of a substitute, was rejected.

Mr. ELLENDER. Mr. President, I send to the desk an amendment to the committee amendment of the tobacco title, and ask that it may be stated.

The PRESIDENT pro tempore. May the Chair state there is another committee amendment which was passed over because of an amendment offered by the Senator from Oklahoma [Mr. THOMAS], on page 82, line 21. Does the Senator from Oklahoma desire to proceed with that amendment at this time?

Mr. THOMAS of Oklahoma. I ask that it be passed over temporarily.

The PRESIDENT pro tempore. It will be passed over. The clerk will state the amendment of the Senator from Louisiana [Mr. ELLENDER].

The LEGISLATIVE CLERK. On page 46, beginning in line 16, it is proposed to strike out the first sentence, as follows:

Any person who knowingly acquires from a producer tobacco marketed by such producer from a farm in excess of the marketing quota for such farm shall be subject to a penalty of 50 percent of the market price of the tobacco on the date of such acquisition, or 3 cents per pound in the case of flue-cured, Maryland, or burley, or 2 cents per pound in the case of all other kinds of tobacco, whichever is the higher.

And insert in lieu thereof the following:

The marketing of any tobacco in excess of the marketing quota for the farm on which the tobacco is produced, except the marketing of any such tobacco for nicotine or other byproduct uses, shall be subject to a penalty of 50 percent of the market price of such tobacco on the date of such marketing, or if the following rates are higher: 3 cents per pound in the case of flue-cured, Maryland, or burley, and 2 cents in the case of all other kinds of tobacco.

Mr. ELLENDER. I move to reconsider the vote by which section 44 was adopted a few days ago, so my amendment may be considered at this time.

The motion was agreed to.

The PRESIDENT pro tempore. The vote is reconsidered, and the amendment of the Senator from Louisiana is pending.

Mr. ELLENDER. The purpose of the amendment, as will be seen, is to exempt from the penalty provision such tobacco as may be used for the manufacture of nicotine.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. McKELLAR. I am very happy that the Senator has offered the amendment. I approve it entirely. In this connection I should like to have published in the RECORD as a part of my remarks a telegram received from Tennessee in connection with the matter.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CLARKSVILLE, TENN., December 15, 1937.

Senator KENNETH D. McKELLAR:

You are very familiar with conditions here and know that all lines of business depend on the prosperity of the tobacco grower. Will you use your good offices to have included in the pending farm bill an exemption for such tobacco as may be sold for manufacture into fertilizer, nicotine, tobacco extract, and other byproducts, and that such tobacco shall not be subject to penalty tax or penalty payment? This will allow farmers to dispose of excess at some price and render destruction of excess unnecessary on farm. Fruit growers, truck farmers, and poultry farmers require nicotine for preservation of their crops, and both nicotine and extract are increasing exports from this country. Deem most important that you do not close any existing outlet dark-tobacco grower has remaining.

FIRST NATIONAL BANK OF CLARKSVILLE.

Mr. ELLENDER. Mr. President, there is nothing else to be stated in explanation of the proposed amendment except what I have just said.

Mr. LOGAN. Mr. President, I am very much interested in the amendment. I understand its purpose is to exempt from the penalty provision the tobacco which is sold for the manufacture of nicotine?

Mr. ELLENDER. That is correct.

Mr. LOGAN. I think that is highly important and that it should be done, so I have no objection to the amendment.

Mr. BARKLEY. Mr. President, I ask unanimous consent in connection with the amendment to have printed in the RECORD a telegram which I received from Kentucky on yesterday supporting the proposal.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HENDERSON, Ky., December 14, 1937.

Senator ALBEN W. BARKLEY,
Capitol, Washington, D. C.:

Please advise if Senate farm bill protects the tobacco byproducts industry. Highly important that farmer be protected to allow his selling excess tobacco beyond allotment to nicotine and other byproducts without payment of proposed tax on excess. Our understanding of proposed legislation makes it appear that conditions will be repeated which existed under old A. A. program and Kerr-Smith law, which carried prohibitive tax, preventing farmer receiving any income on excess which could have been disposed into byproducts. This resulted in two of the three nicotine companies closing down until Government diversion programs reestablished a supply of raw-material control legislation. Liable to curtail low-grade leaf marketed and at same time return excess to farm, forcing an established industry to stand idle because of such legislation. Please telephone, reverse charges, if you are not clear on this item. Stemming District Tobacco Association, a farmers' cooperative association at Henderson, Owensboro, and Madisonville, concur in the above.

C. SGOINIA,
President, American Nicotine Co.
C. A. MITCHELL,
President, Stemming District Tobacco Association.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. POPE. Mr. President, I desire to offer an amendment to the original text of the bill. I send the amendment to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 23, after the word "market", it is proposed to insert a period and the words "in the case of corn such loans shall be", and on page 8, line 1, after the word "year" and the period, to insert:

In the case of wheat the rate of such loans shall be not less than 52 percent and not more than 75 percent of the parity price for wheat as proclaimed at the beginning of the marketing year.

So as to read:

SEC. 5. (a) The Surplus Reserve Loan Corporation established by title VII of this act (hereinafter referred to as the Corporation) is directed to make available surplus reserve loans upon wheat or corn produced for market. In the case of corn such loans shall be at the loan rates prescribed in schedule A of this title, based on the parity price, and the relationship of the total supply to the normal supply, as proclaimed at the beginning of the marketing year. In the case of wheat the rate of such loans shall be not less than 52 percent and not more than 75 percent of the parity price for wheat as proclaimed at the beginning of the marketing year. Such loans shall be made only to cooperators and on the security solely of the stocks of the commodity insured and stored under seal, etc.

Mr. McNARY. Is it intended by the amendment to change the loan value as specified in schedule A?

Mr. POPE. Yes. It has been realized all during the consideration of the bill that the provisions of schedule A as to loans on wheat were too high and so rigid so as not to permit consideration of the world price or export price of wheat. The amendment would provide, instead of a schedule of rigid rates for making loans on wheat, that there shall be a flexible schedule for loans on wheat, using the same figure as is contained in the schedule, 52 percent and up to 75 percent, leaving it to the discretion of the corporation or whoever makes the loan to determine the

amount of the loan, giving consideration at that time to the world market.

That is in line with the recommendation of the Secretary of Agriculture, and those who are particularly interested in wheat realize that that kind of an amendment is desirable unless we want to take the position that a loan must be made under schedule A that would take the wheat off the export market. That is the purpose of the amendment.

Mr. McNARY. Mr. President, I am inclined to think that is a commendable proposition. When the amendment was read it occurred to me that under it the grower of wheat could not obtain as large a loan as he could under the provisions of schedule A, but the flexibility as explained by the Senator, I think, makes the amendment satisfactory.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Idaho.

The CHIEF CLERK. On page 8, line 1, after the period, it is proposed to insert the words:

In the case of wheat the rate of such loans shall be not less than 52 percent and not more than 75 percent of the parity price for wheat as proclaimed at the beginning of the marketing year.

Mr. McNARY. Mr. President, is this the same limitation as that contained in the bill as reported to the Senate, that a loan may be obtained on 75 percent of the value of the wheat?

Mr. POPE. No; instead of providing for an 85-percent ceiling, it is reduced to 75 percent. But the lower rate, 52 percent, is the same as in the amendment in schedule A of the original bill.

Mr. McNARY. Does that bear the same ratio as for cotton?

Mr. POPE. The Senator from Alabama is in the Chamber, and can more clearly explain the cotton provision; but there is a general provision as to cotton, under which loans will be made in an amount in the discretion of the lending organization. There are no maximum and minimum rates of loans in the case of cotton.

Mr. McNARY. That is what I recall. The Senator has heard me on many occasions voice an objection to what I call discrimination favorable to cotton as against wheat and corn. Why provide a ceiling on wheat, and reduce the rate from that contained in the original bill, so that the wheat farmer can obtain from the lending corporation a loan on only 75 percent of the value of the wheat, when in the bill the subcommittee took to the country, and about which we have heard so much, the figure was 85 percent? I believe the farmers were told they could borrow on 85 percent of the value from the corporation, were they not? Now, the Senator is asking us to limit that to 75 percent of the value of the wheat, if I understand the amendment. But we are asked to say to the cotton man, "Get all that you can." Why make that difference?

Mr. POPE. As a practical matter—

Mr. McNARY. What is the practical side of it?

Mr. POPE. The Senator knows that cotton is now and always has been at a lower percentage of parity than wheat or corn.

Mr. McNARY. I do not know that.

Mr. POPE. The necessity for placing exactly the same limit upon the loan percentages does not exist as to those commodities. However, if the Senator desires, I have no objection to making the ceiling in this amendment 85 percent instead of 75 percent.

Mr. McNARY. I do desire it, because the subcommittee told the boys down on the farm, when they went around with the bill, that they could borrow 85 percent of the value from the corporation to be set up.

Mr. POPE. If the bill should be passed.

Mr. McNARY. If they were told they could borrow 85 percent, let us keep the faith, and let them borrow on the

value of 85 percent. That is the reason why I object to the amendment.

Mr. POPE. Very well. I ask leave to modify the amendment which will appear on page 8, line 1, by changing 75 percent to 85 percent.

The PRESIDENT pro tempore. Without objection, the amendment will be modified by striking out "75" and inserting "85."

Mr. McNARY. Mr. President, I wish to express to the Senator from Idaho my appreciation on behalf of the wheat growers of the country.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Idaho, as modified.

The amendment, as modified, was agreed to.

Mr. POPE. Mr. President, I desire to complete the amendment by moving to strike out, on page 21, in the first column of schedule A, the words "wheat and", in order to remove that commodity from the schedule. It is to make the schedule accord with the amendment already agreed to.

The PRESIDENT pro tempore. It will be necessary to reconsider the vote by which the amendment was agreed to. Is there objection to the reconsideration of the vote by which the amendment on page 21, line 1, was agreed to? The Chair hears none, and the vote is reconsidered.

The Senator from Idaho offers an amendment to the amendment, which will be stated.

The CHIEF CLERK. On page 21, in the first column of schedule A, it is proposed to strike out the words "wheat and."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. BANKHEAD. Mr. President, I desire to call up an amendment I presented several days ago, and gave notice I would call up, defining "parity payments," as a result of the discussion about what those words meant. The amendment is to be inserted on page 73, after line 3, under "Definitions," and the amendment reads:

"Parity payments" means payments to producers which when added to the market price of the commodity affords the producer a cash return for such commodity nearer, or equal to, parity price for such commodity.

Mr. McNARY. Mr. President, is this a proper approach? There is on page 65 a definition of "parity."

Mr. BANKHEAD. I am willing to have the amendment placed anywhere the Senator desires to have it, if he thinks there is some place preferable to the one I have indicated. I am merely trying to remove the difficulty and the objection and to meet the difference of opinion about what "parity payments" means, to show that it does not mean payment in full of parity, but merely payments on the parity price in addition to the market price of the commodity.

Mr. McNARY. Mr. President, I recall very vividly that we discussed this a few days ago, possibly on more than one occasion, and I am not at all displeased with the Senator's present attitude. I know the farmer is not to receive parity. I do not want the cotton people to believe they are to get parity, and I think it is very commendable upon the part of the Senator to offer the amendment. I am merely offering this suggestion in order to determine whether we are approaching this correction so that there will be no misunderstanding on account of the definition found on page 65, where it is provided:

"Parity," as applied to cotton, wheat, corn, tobacco, or rice, shall be that price for the commodity as will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the period from August 1909 to July 1914.

It includes interest charges, tax charges, and freight charges.

Mr. BANKHEAD. From what page is the Senator reading?

Mr. McNARY. Page 65. There is a complete definition of "parity."

Mr. BANKHEAD. But not of parity payments. This is to clear up what the expression "parity payments" means, and to show that as used in the bill it does not mean payment in full of parity, but means payments on parity.

Mr. McNARY. Let us look at that, too.

Mr. COPELAND. Payments toward parity.

Mr. BANKHEAD. Or payments toward parity, as the Senator from New York suggests.

Mr. McNARY. On page 10, section 5, there appeared mandatory language that the Secretary "shall" make parity payments.

Mr. BANKHEAD. That was changed.

Mr. McNARY. The Senator very properly changed the word "shall" to "may," making it discretionary with the Secretary. That brings us back to the provision on the declaration of policy which probably we ought to consider now.

Mr. BANKHEAD. The Senator will observe in line 10 the words "may make parity payments."

Mr. McNARY. Yes.

Mr. BANKHEAD. The question arose what "parity payments" meant, whether it meant parity payments in full, and I think the Senator took the view that it meant that.

Mr. McNARY. I took the view that when we told the farmer we were going to make parity payments and inserted this schedule indicating what they were, it was a declaration of policy, that it meant a full payment of the parity price. I think I used this illustration. If I said to the able Senator from Alabama that I was going to pay a debt to him, that would mean the complete debt, and not a partial payment. I am very happy that the Senator will tell the cotton farmer—and I know he wants to do that—exactly what he will receive.

Mr. BANKHEAD. It applies to the wheat and corn farmer just the same.

Mr. McNARY. Does this apply to all?

Mr. BANKHEAD. Yes. That is the reason why it is put under "Definitions" and not put under any commodity title.

Mr. McNARY. Let the amendment be again reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 73, after line 3, to insert the following:

29. "Parity payments" means payments to producers which when added to the market price of the commodity affords the producer a cash return for such commodity nearer, or equal to, parity price for such commodity.

Mr. McNARY. Will the farmer understand that to mean simply that if there is enough money on hand, and we intend to carry out the parity payments, he will get a part of the amount available for that purpose, using another measuring stick?

Mr. BANKHEAD. We are using no measuring stick at all. We provide for the payment of certain money on parity payments. As I stated a while ago, the Senator raised the question that the words "parity payments" meant paying parity in full. We did not understand those words were ever intended to mean what the Senator from Oregon seemed to think they expressed, and in order to clear that misunderstanding or that difference in the construction of those words this definition is tendered. It means that if the market price of cotton, we will say, is 10 cents a pound, and the amount of money to be divided amounts to 2 cents a pound, when it is applied at 2 cents a pound, the "parity payment" will not pay parity in full, because parity is 16½ cents, but it will apply on the market price toward parity payment.

Mr. McNARY. I understand the illustration, and if that is what the language means I commend it.

Mr. BANKHEAD. I think that is what it means.

Mr. FRAZIER. Mr. President, it seems to me that this amendment is rather childish, just as are a lot of other statements in the bill. There are many references to parity in the bill, and now we are to define parity payments as meaning payments to producers which "when added to the market price of the commodity affords the producer a cash return for such commodity nearer, or equal to, parity price for such commodity."

Of course, if the producer gets any payment above the market price, it will be nearer to the so-called parity, and this seems to me a childish definition, just another provision

at the end of the bill to fool the farmer further, if that is possible. It seems to me that the definition is entirely unnecessary when parity is defined in section 61 of the bill, and if it is to be included, there should be an amendment to the bill, in my opinion, after the word "price", in the last line of the amendment, by the insertion of the words "as defined in section 61."

Mr. President, while I have the floor, inasmuch as some remarks have been made about the statement of Secretary Wallace which appears in the press this morning, I wish to quote from a speech Secretary Wallace made before he became Secretary of Agriculture. He made a speech at the Farmers' Union convention on September 19, 1928, in the State of Iowa. Apparently it was a sort of a political speech. It seems that he was out campaigning for Governor Smith, who at that time was candidate for President on the Democratic ticket. I am not going to read all of the speech, but shall read simply a few paragraphs from it. Among other things Mr. Wallace said:

Well, now, if Smith is elected the McNary-Haugen bill will go through, in my opinion, and it will be absolutely essential for such organizations as this—

That is the Farmers' Union—

and the Farm Bureau to be on their toes watching every little clause in the bill as it goes through Congress.

I read another paragraph. Mr. Wallace quotes from Mr. Hoover, who was candidate for President on the Republican ticket at that time. Mr. Wallace said:

If Hoover is elected President, what will you get? I would like to consider that a little while. In the first place, I want to pay this tribute to Mr. Hoover's Palo Alto speech. He put in words the very essence of the thing for which the farmers are fighting. He said the farmer's wife should have the same opportunities, the same standard of living, as the wives of the people in the towns and cities; that the farmer's children should have the same opportunities, the same education. In other words, he said that the farmers should have a fair share in the national income.

I read another paragraph from Mr. Wallace's speech:

Now, that is the very essence of the farm fight, and I think we can all thank Mr. Hoover for stating these ideals; and if he is elected we will remind him of these ideals again and again. In order to carry out these ideals it will be essential to transfer \$6,000,000,000 every year—

Six billion dollars, Mr. President—

\$6,000,000,000 every year from the people in the towns and cities to the people on the land. It will be necessary to give farmers \$6,000,000,000 more annually if the farm housewives are to have the modern conveniences in their homes, if the farm children are to have the same kind of an education as the children in the cities have. All this would mean an increase in price of farm products—of wheat, corn, hogs, oats, etc.—of at least 60 or 70 percent. It would mean prices approaching the standard as set by the cost of production committee of the Farmers' Union. A fair share in the national income is just what the Farmers' Union definition of cost of production means. You can say you are going to have a fair share in the national income or you can say you are going to have the Farmers' Union definition of cost of production.

I read another paragraph from Mr. Wallace's speech in which, speaking of the Farmers' Union cost of production, he said:

I don't say the Farmers' Union figures are exactly right, but I say the principle employed is absolutely right, and I would challenge any experiment station or United States Department of Agriculture, or any other organization, to prove that the principles back of the Farmers' Union cost figures are unsound.

That is what Mr. Wallace said before he became Secretary of Agriculture.

I now read another paragraph which is of interest:

* * * Now I would like to talk just very briefly as to the way I think as to what can be done about getting a fair share of the national income for the farmer. You see the farmer today is only getting 10 percent and he should be getting 17 percent to be in relatively the same situation as he was before the war.

I take it Mr. Wallace means 17 percent of the national income. And in 1928 he said the farmer was getting only 10 percent. I continue quoting:

How is he going to get 17 percent of the national income? I should not criticize Hoover if I didn't have something in my mind that I think will solve the problem. There are several things that can be done. First, you have got to realize the nature

of the problem. Why is it we are worse off relatively than all the rest of the population? Why aren't we getting a fair share of the national income? The big reason is that our relation to the rest of the world has changed.

Then Mr. Wallace goes on with some history dating back to the Civil War as to how the farm situation has changed in comparison with that time, and then he goes on with some other statements which are very interesting. I quote:

When you get your fair share in the national income, you won't need to work your children so hard. We can teach them something about literature, music, artistic appreciation, and so forth. Oh, we can do lots of things when we get this money, and it isn't all foolishness. The farmers are not used to that sort of thing, but if we get our fair share of the national income, if we get to the place where the farmer's wife can live as the city man's wife, and his children can live as the city man's children, that makes it a mighty different proposition. And that is what we want. We don't want farmer folks to be peasants. We don't want to be a peculiar people. We want to be an integral part of this great Nation. That is what we want, and I think we can work toward that ideal no matter which man is elected.

I read one more paragraph from Mr. Wallace's speech:

But I want us to go ahead also and have some political ideals. Farmers have been kicked by both political parties on occasions. They are treated very nicely for about 3 months before election. Right now—

He is speaking of the campaign in the fall of 1928, on September 19 of that year:

Right now you are awfully popular. Right now they will promise you lots of things, but how about it a year from now, when you shove that bill through Congress?

Speaking of the McNary-Haugen bill:

We do want to develop some political intelligence. We don't want folks coming in from the outside trying to muddy the water, trying to draw red herrings across the trail and lead us off after false gods. I know that that kind of thing has happened.

Mr. President, if there is anything that is a red herring across the farmer's trail it is this farm bill in its present form. Mr. Wallace, before he became Secretary of Agriculture, warned those farmers against red-herring propositions that had been used in the past. He might have said that they would be brought up in the future. Red herrings have been drawn across the farmer's path many times, and the pending bill is another one. The amendment on parity payments is just another little red herring drawn across the end of the trail in this bill.

Mr. McNARY obtained the floor.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. McNARY. I yield.

Mr. BORAH. I simply wish to ask the Senator from Oregon [Mr. McNARY] and the Senator from Alabama [Mr. BANKHEAD] a question. I do not know the effect of this measure. What is it designed to accomplish?

Mr. McNARY. Mr. President, I do not want the Senator from Alabama [Mr. BANKHEAD] to feel that I am at all captious in this matter. I am trying, as I think we all are, to apprise the farmer of what he may expect in the way of return when we are considering parity payments.

When the bill was studied, and hearings were had in the country, parity payments were defined, and the schedule on page 21 was set forth so that the farmer might see and understand what he would get in excess of the current average price. The matter has been discussed from time to time. Two weeks ago, I think, I discussed the subject, and stated that there was an obligation upon the part of Congress to pass legislation that would provide for paying a parity price so long as the declaration of policy remained as it now is. I called attention to the language on page 10, which says the Secretary shall pay parity prices. I then referred to the definition of parity prices and parity income. All of those things must be considered in connection with this amendment.

Mr. President, this amendment must be read, I think, in connection with section 6 on page 10. I should like to have the attention of the Senator from Alabama [Mr. BANKHEAD]. We are laboring along the same line.

Mr. BANKHEAD. Mr. President, I was speaking to the Senator from Mississippi about the same proposition. He asked me about it.

Mr. McNARY. I think the Senator probably is correct; and it is likely he can enlighten the Senator more than I can.

Mr. BANKHEAD. He was not trying to enlighten me.

Mr. McNARY. I am not, either. I am just discussing provisions in the bill for which I am not at all responsible.

Mr. BANKHEAD. If there is any objection to that declaration, I have no desire in the world to press it. It does not mean a thing in the world except notifying the farmers that "parity payments" mean payments on parity; that is all. It is no substantive thing; and if there is objection on the other side of the Chamber—that is where there is objection to it—I have no objection to its elimination. If you gentlemen want to resist it, I am willing that it be taken out even without a vote. We have done our part to endeavor to notify the farmer that that is what the language means.

Mr. McNARY. I do not want to see my excellent friend and companion disturbed. I think we should attempt to tell the farmer, and I think we owe the farmer an obligation to tell him, exactly the truth in this matter. That is the only interest I have in the matter; and I do not dismiss it as an incident or an argument because it happens to be troublesome.

Mr. President, I am not finding fault with this amendment. We may be able to improve upon it. The suggestion made by the Senator is that "parity payments" mean payments to producers which, when added to the market price of the commodity, afford the producer a cash return for the commodity at near or equal to the parity price of the commodity. The Senator's illustration was very frank and very clear, and I think it is something like this:

Let us say that cotton was worth 10 cents a pound and the Secretary did not have very much money; all he had was that which he attempted to get from the Soil Conservation Act, and that was 2 cents a pound. Then the farmer could not expect more than 12 cents a pound. If that is what it means, the amendment probably is all right. I am wondering, however, if it fits into this thing when we consider the various definitions of "parity" and "parity payments."

I am reading now from page 10, section 6, subdivision (a), as amended:

Promptly following the close of each marketing year for cotton, wheat, or corn, the Secretary shall make parity payments to farmers engaged in the production of such commodity for market during such marketing year, provided, in case of wheat and corn, the farmer is a cooperator.

I think I mentioned the fact that in this case the farmer must be a cooperator if he raises wheat and corn, but he does not have to be a cooperator in order to get these benefits if he raises cotton.

Now:

Such payments shall be computed at the parity-payment rates prescribed in schedule A of this title, based on the parity price, and the relationship of the total supply to the normal supply, as proclaimed at the beginning of the marketing year just closed.

I now refer to page 75, where the bill provides:

The Secretary shall, on the 1st day of each month * * *, ascertain and proclaim the parity price and the current average farm price.

When we read what the Secretary must do, referring to schedule A, which sets forth what the parity price is, can he function under that definition or under the language proposed by the Senator? I think we should add there, if we are not going to mislead the farmer under section 5, the words "notwithstanding the provisions of section 6", so that when the farmer reads section 6 and reads this definition he will see that section 6 does not mean anything.

I am offering that as a suggestion, because I think it is very, very important that we should let the farmer know what he may expect to get in his return when we call this an agricultural relief bill. I offer that as a suggestion to the able Senator, who does not seem to relish suggestions of any kind, especially from a man who does not represent a cotton section of the country.

Mr. SHIPSTEAD. Mr. President, I should like to ask the authors of the bill if there is any part of the machinery of

the bill which will provide an opportunity for the farmer to receive, as the result of the application of the bill, parity income, except such machinery as will provide for him, as nearly as may be, parity payments.

Mr. MCGILL. Mr. President, if the Senator is directing that inquiry to me, I should say there is machinery in the bill which will provide the possibility of the farmer receiving a parity income on the commodities of corn and wheat; but that would not necessarily mean a parity income to the farmer on all commodities he produces. He might not be receiving a parity income on other commodities. I feel that so far as those two commodities are concerned, the possibility is provided in the bill of obtaining a parity income on them.

Mr. SHIPSTEAD. What about cotton?

Mr. MCGILL. I am not the author of the title dealing with cotton.

Mr. SHIPSTEAD. Let me ask the Senator whether there is any way by which the farmer raising wheat and corn can get parity income except through parity payments in addition to the market price.

Mr. MCGILL. It can be accomplished through the production program.

Mr. SHIPSTEAD. Yes; I mean, through a production program which is the basis of the theory of parity price.

Mr. MCGILL. I think that is the only method by which it can be done.

Mr. SHIPSTEAD. That is my understanding of the bill.

It is my opinion that under those provisions of the bill, the farmer has so far to go to get parity income that this measure will not give him parity income. It evidently is the temper of the Congress that the appropriations necessary to give parity income, not only to the wheat and the corn and the cotton farmer but also to other farmers, cannot be made. I do not believe Congress is willing to levy the necessary taxes to do that. In view of that fact, is the declaration of policy that parity income is the aim of the bill anything more than a pious declaration of what we think ought to be done in order that the nonagricultural population shall pay the farmer the cost of the food which feeds them, while denying him that because we cannot afford it?

Mr. POPE. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. Yes.

Mr. POPE. Even a step in that direction certainly would be desirable. If we pass a bill which recognizes parity income as a goal, but this year, because of the temper of Congress, let us say, there would not be an appropriation to make the payments necessary to approach that goal—yet, since it is in the nature of permanent legislation, next year Congress might make a larger appropriation.

I wish I had the power to make now an appropriation which would assure to the farmers parity payments, and I am ready to vote for it at any time. I think that is vastly more important than a technical balancing of the Budget. We recognize, however, that Congress as a whole must determine that matter; and if they refuse to appropriate enough money to pay parity, let me ask the Senator if he does not think the declaration and the recognition by Congress that the farmer is entitled to a parity of income, and an aim in that direction, even though we may not accomplish it in this Congress, is still worth while as a recognition of what we ought to do, and what we will continue to fight for until we get it.

Mr. SHIPSTEAD. I realize the zeal and the integrity of the two authors of the bill. I consider that that declaration of policy—that the farmer is entitled to parity income—is the sole virtue of the bill, because the rest of it will not give parity income to the farmer, and it may possibly give a little bit along that line, which, it is generally agreed, is better than nothing.

We have been experimenting with the farm problem for 5 years. We have been experimenting in an effort to secure a more equitable distribution of national income. We have tried, or at least we have said we were trying, to give the farmer a greater share, or his just share, of the national income, to put him on a parity with industry. I am sure it has been done in good faith. After a period of 5 years,

however, we have the present unemployment situation; we have the unbalanced Budget of the individual and of the Government. We have, for instance, more to eat as a result of these large Government expenditures, but they still remain to be repaid. They will have to be returned to the Treasury.

It seems to me we have now come to a situation in which we cannot temporize any longer. I say this in all good faith to men who feel differently about the matter, and who are honest and sincere; but it seems to me we cannot go on with temporary palliatives. We must attack this unbalanced national economy in a more drastic manner and with a more drastic program in order to avoid even a more dangerous situation than that in which we now find ourselves.

I think it would help the situation if the Congress and the country would realize that we cannot continue the way we are going, and would pay the price necessary to put the farmer on a basis of equality with industry as to income, no matter how it is done, whether by restricting monopolistic practices or otherwise.

Mr. POPE. Mr. President, will the Senator yield at that point for a question?

Mr. SHIPSTEAD. Yes.

Mr. POPE. Just exactly what would the Senator from Minnesota do in order to meet the situation more fundamentally, as he now indicates? What would he do? I might go along with him.

Mr. SHIPSTEAD. I think it would help the situation if the Congress and the country would realize that we cannot continue the way we are going, and would pay the price necessary to put the farmer on a basis of equality with industry as to income, no matter how it is done, whether by restricting monopolistic practices or otherwise.

We hear a great deal about regimentation. The regimentation of industry and the price fixing of industry have had a great deal to do with putting the farmer in his present position. Labor is regimented; everything is regimented except the farmer.

I do not like regimentation. To give the farmer regimentation is to give him something of the inane or destructive policies which we have been following for the past 25 or 30 years in permitting industry to regulate and control production and prices. So it seems to me that no matter what we give the farmer, it is almost immediately taken away from him in high prices. As the farmer gets a little additional income, prices to him are raised. The same thing is true of the laborer, prices are raised. The regimentation which has so developed that it is exploiting the unregimented and the unorganized is in essence a fascistic program, although it is not initiated by the Government; but it is tolerated by the Government. I am looking to the result. Some wise man said that statesmen must be able to anticipate the future effect of policies they inaugurate today.

I think we have dismally failed to do that; and to the extent that we have failed to do that we have failed to inaugurate and put into effect policies that would keep the economic balance in the shape in which it is necessary to keep it in any country.

Mr. POPE. Mr. President, will the Senator yield at that point?

Mr. SHIPSTEAD. I yield.

Mr. POPE. Does the Senator agree with me that starting the protective system more than 100 years ago was granting to a group special privileges which had a great deal to do with throwing our whole national economy out of balance?

Mr. SHIPSTEAD. The Senator undoubtedly is correct. That was one of the most dangerous policies to the farmer, because of the fact that he was a producer of surplus and must sell in a world market, which is a cheap market, and that policy made him buy in a protective market.

Mr. POPE. Since that is the situation, since our national economy is out of balance, the farmer is not getting his share of the national income. He is not getting parity with other industries.

Mr. SHIPSTEAD. That is true.

Mr. POPE. Then, since we cannot change the present situation, since we cannot reduce the tariffs—I think the Senator will agree with me that an effort uniformly to reduce tariffs on manufactured products, or tariffs from which manufacturers get a benefit, could not succeed—are we going to let the farmer stay in his present position, or shall we attempt to do for him in one way or another what has already been done for industry as a whole, and try to pull him up so as to get him on a parity with industry?

It seems to me the question we are facing is a practical question.

Mr. SHIPSTEAD. Yes; that is the tragedy of it. Of course, special privilege is the root of evil in government. We have not only given to industry but we have tolerated, on the part of industry, special privilege. We have tolerated special privilege that they themselves have usurped, and the economic power used to obtain special privilege. If we are going to give special privilege to the farmer, if we give it in the same proportion that industry and finance have enjoyed it, then we eliminate privilege, because we treat everyone on the same basis.

Mr. POPE. It may interest the Senator to find that those who oppose doing this sort of thing for the farmer—trying to supplement his income and bring it up to something like parity with other lines of industry—are the very persons who represent industry which during all these years has been the beneficiary of the protective tariff system. They are generally the ones who oppose any effort to bring the farmer up to parity with them. Has the Senator observed that that is the case?

Mr. SHIPSTEAD. Oh, of course, it has been very apparent to me for many years. The trouble with our farm legislation has been—

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The time of the Senator from Minnesota on the amendment has expired.

Mr. POPE. Mr. President, may I ask the Senator from Minnesota in my time to complete his statement?

Mr. SHIPSTEAD. I thank the Senator. In my opinion, industry itself is suffering from a policy of scarcity, and the whole Nation is suffering from scarcity. The trouble with farm legislation has been that we have taken a defeatist attitude and have been satisfied to get whatever they were willing to give us. They have been willing to give us a little something better than nothing. They have been adopting a form of policy not only to depress the farmer but to depress agriculture and industry of the Nation as well. They would take a man who is dying of starvation and say, "We will give him something to eat so he can live a little longer, but we cannot afford to give him enough to keep him from dying." A family who would treat the breadwinner of the family in that way, it seems to me, may permit the breadwinner to die, the man who furnishes them something to eat, because they cannot afford to keep him alive.

That is the position taken by industry and those who are opposed to giving the farmer his share of the national income and his fair position in the economic life of the Nation. It is not necessary to make long speeches to point out what history shows has happened. If we will give the matter a little thought, we can see the effect in the country today after 5 years of experimentation with legislation to help the farmer. We have always given him something a little better than nothing. The farmer has tried to get along and tried to be satisfied with a starvation wage. The country is heading for a change. It has been admitted since 1930 that we got into the depression because of maladjustment of national income and a lack of balancing the budget of the farmer, and as a result everybody else's budget is unbalanced.

Mr. POPE. I thank the Senator. One of the surprising things to me is that those men who benefit most from the welfare of the farmer, from the fact that he has purchasing power, are those who generally oppose any effort to obtain for the farmer a place of substantial equality in our economic system. It seems to me that it is a short-sighted policy which does not recognize that it is to the benefit of business-

men and of the manufacturers of the country to have the farmer prosperous and with ample purchasing power to purchase the products which are manufactured. That short-sighted policy has been a matter of surprise to me.

It has seemed to me the American businessmen are probably the shrewdest and generally the most far-seeing group in our country, and yet they utterly fail to see that point. It seems to me that they have adopted a short-sighted policy, one that is bound to work to their detriment, instead of the policy of encouraging the farmer and of furthering legislation to give him equality with industry, which would seem to me to be the kind of a policy one would expect far-seeing, clear-headed businessmen to adopt. However, generally they have adopted a contrary policy.

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Dakota to the amendment of the Senator from Alabama.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. BARKLEY. Mr. President, may I inquire what other committee amendments have been passed over that have not yet been acted on?

The PRESIDING OFFICER. The only one is an amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. BARKLEY. I understood the Senator from Oklahoma is unable to speak because of throat trouble this morning, and I do not know whether he intends to offer his amendment or not. He has just indicated to me that he desires to withdraw his amendment.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. THOMAS] withdraws his amendment.

Mr. POPE. Mr. President, I desire to offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 77, between lines 13 and 14, it is proposed to insert the following new subsection:

(g) The Secretary may furnish reproductions of such aerial or other photographs, mosaics, and maps as have been obtained in connection with the authorized work of the Department of Agriculture to farmers and governmental agencies at the estimated cost of furnishing such reproductions, and to persons other than farmers at such prices (not less than estimated cost of furnishing such reproductions) as the Secretary may determine, the money received from such sales to be deposited in the Treasury to the credit of the appropriation charged with the cost of making such reproductions. This provision shall not affect the power of the Secretary to make other disposition of such or similar materials under any other provisions of existing law.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. POPE. Mr. President, I desire to offer the dairy amendment which has been referred to a number of times in the debate.

Mr. DUFFY. Mr. President, before the Senator does that, will he yield to enable me to suggest the absence of a quorum?

Mr. POPE. I yield for that purpose.

Mr. DUFFY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|--------------|-----------------|-------------|---------------|
| Adams | Dieterich | La Follette | Pope |
| Andrews | Donahay | Lee | Radcliffe |
| Ashurst | Duffy | Lodge | Reynolds |
| Austin | Ellender | Logan | Russell |
| Bailey | Frazier | Loung | Schwartz |
| Bankhead | George | Lundeen | Schwellenbach |
| Barkley | Gerry | McAdoo | Sheppard |
| Bilbo | Gibson | McCarran | Shipstead |
| Bone | Gillette | McGill | Smathers |
| Borah | Glass | McKellar | Smith |
| Bridges | Graves | McNary | Steiwer |
| Brown, Mich. | Green | Maloney | Thomas, Okla. |
| Brown, N. H. | Guffey | Miller | Thomas, Utah |
| Bulkley | Hale | Minton | Townsend |
| Bulow | Harrison | Moore | Truman |
| Burke | Hatch | Murray | Tydings |
| Byrd | Hayden | Neely | Vandenberg |
| Byrnes | Herring | Norris | Van Nuys |
| Capper | Hitchcock | Nye | Wagner |
| Chavez | Holt | O'Mahoney | Walsh |
| Connally | Johnson, Calif. | Overton | Wheeler |
| Copeland | Johnson, Colo. | Pepper | White |
| Davis | King | Pittman | |

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present. The Senator from Idaho [Mr. POPE] has offered an amendment, which will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert a new section, section 66, as follows:

SEC. 66. Whenever the Secretary has reason to believe that the income of producers of livestock or livestock products in any area from such sources is being adversely affected by increases in the supply for market of livestock or livestock products arising as a result of programs carried out under this act, or under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, he shall make an investigation with respect to the existence of such facts. If upon investigation the Secretary finds that the income of producers of livestock and livestock products in any area from such sources is being adversely affected by such increases, he shall, as soon as practicable, make such provisions under adjustment contracts or other offers as he determines may be required with respect to the growing of conserving crops which he finds necessary to protect the interests of producers of livestock or livestock products in the affected area, and the authority of the Secretary under this section shall be expressly reserved in all adjustment contracts or other offers.

Mr. BARKLEY. Mr. President, may I submit a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Have we now disposed of all amendments passed over, or is this an amendment to an amendment passed over, or is it an amendment to the text?

Mr. POPE. It is a new amendment.

Mr. BARKLEY. Then we have disposed of all amendments passed over?

The PRESIDING OFFICER. All amendments passed over have been disposed of.

Mr. BARKLEY. Are amendments to the text now in order?

The PRESIDING OFFICER. They are in order.

Mr. POPE. Mr. President, yesterday the Senator from Wyoming [Mr. O'MAHONEY] introduced an amendment to the original amendment which I had offered. The amendment which has just been read by the clerk is a combination of the amendment which I sent to the desk yesterday and the amendment offered by the Senator from Wyoming. I am authorized to say, as he will undoubtedly say for himself later, that this is entirely satisfactory to him.

It will be recalled that several times during the discussion of the bill both Senators from Wyoming raised a question with reference to the effect of the bill on livestock. Of course, at different times those interested particularly in dairying have raised the question as to the effect of the operations of the bill upon the dairy industry.

The Senator from New York [Mr. COPELAND] has offered two or three amendments relating to the matter of silage. Those are satisfactory to the authors of the bill, and those amendments, together with the amendment which I now offer, it seems to me, afford dairying very ample protection.

Mr. COPELAND. Mr. President, the amendments which I offered have already been adopted by the Senate.

Mr. POPE. They have been.

Mr. AUSTIN. Mr. President, do the words "or other offers" contained in the proposed amendment refer to offers under the existing law, the Soil Conservation Act?

Mr. POPE. Yes. So that if the Secretary finds that the dairy interests are being adversely affected, he may make such provisions in the contract as will tend to remedy the situation.

Mr. CONNALLY. Mr. President, is this a farm bill or a dairy bill?

Mr. POPE. It is a farm bill.

Mr. CONNALLY. It is a farm bill to help the farmer.

Mr. POPE. It will help the farmer, but some of the dairy people indicate it may have some adverse effect upon the dairy industry; and, besides, I think dairying is farming.

Mr. SCHWELLENBACH. Let me inquire of the Senator from Idaho whether the Senator from Texas does not believe that the man who is a dairy farmer is a farmer.

Mr. POPE. The Senator from Texas appears to be occupied.

Mr. CONNALLY. I beg the Senator's pardon.

Mr. POPE. Without any doubt the Senator from Texas does think that a dairy farmer is a real farmer, and would naturally be interested in a farm bill.

Mr. CONNALLY. I do not think he is the only farmer on the face of the earth.

Mr. SCHWELLENBACH. I do not believe anyone contends that the dairy farmer is the only farmer on the face of the earth, but certainly this body is entitled to consider the problems of the dairy farmer, and I personally do not very much like the idea of criticizing the fact that those of us who represent States in which dairying is of interest have some desire to protect the dairy farmer along with the rest of the farmers of the country.

Mr. BRIDGES. Mr. President, will the Senator from Idaho explain the meaning of the term "livestock"? Does it include poultry, for example?

Mr. POPE. It does not. Livestock does not include poultry, and the term "poultry" was stricken from the bill earlier in the consideration of the measure.

Mr. BRIDGES. May I ask the Senator from Idaho, as the framer of the bill, why it was stricken out?

Mr. POPE. It was stricken out upon an amendment offered by the Senator from Vermont, to which I interposed no objection, for the reason that as a whole the amount of feed consumed by poultry would not be a serious matter in the administration of the law.

Mr. BRIDGES. Of course, it would be a very serious item in the administration of the law from the point of view of the poultry farmers of this country.

I think we have completely lost sight of the fact that there are 48 States in the Union and there are some dairy farmers and some poultry farmers and others who deserve consideration. I am surprised at the suggestion of the Senator from Texas that the dairy farmer is not a farmer.

Mr. CONNALLY. Mr. President—

Mr. POPE. I call the attention of the Senator to the fact that poultry generally does not eat conserving crops. Poultry does not usually eat grass and hay to the same extent that it eats corn and wheat, which are dealt with specifically in the bill.

Mr. BRIDGES. I think we ought to take in the whole picture.

Mr. SHIPSTEAD. Mr. President, will the Senator from Idaho yield to me?

Mr. POPE. I yield.

Mr. SHIPSTEAD. I take it the Senator's intention in the amendment is to prevent the dairy farmer from having forced upon him a competition which he does not now have or suffer by preventing people not now engaged in dairying from turning to the dairy business and the feeding of stock on soil-conserving acres. Is that the purpose?

Mr. POPE. That is the purpose of the amendment. I am very frank to say to the Senator from Minnesota, and to others, that the records of administration of the Agricultural Adjustment Act and the Soil Conservation Act do not bear out the theory that when their acres are curtailed and the prices of their products go up farmers go into dairying. When the amendment of the Senator from Oregon shall be presented I will give the figures to prove that statement.

The theory that when acres were curtailed, which would usually result in an increased price, and those acres put into conserving crops, which would cause the farmer to go into the dairy business, and increase dairy herds in competition with those engaged in dairying, does not happen. As a matter of experience, under the Agricultural Adjustment Act the opposite has occurred, which I shall emphasize in the event the Senator from Oregon shall offer the amendment he has given notice he intends to present.

At this point, however, to relieve the fears of those who do think that the increase of soil-conserving acres will increase competition in the dairy business, we will give the Secretary power to deal with that situation.

Mr. SHIPSTEAD. I take it that the Senator is suspicious that such a thing might occur. Would it not be better to have an amendment in the form of a preventive, rather

than in the form of a cure which may be found necessary after the fact?

Mr. POPE. I have no suspicions in that respect. There are those here who do, and who desire at least to have that protection, and I can see no harm in adopting such a provision as that, so that if competition should increase by reason of these diverted acres, there would be a way to deal with the matter.

I say again to the Senator from Minnesota that under the Agricultural Adjustment Act, which did curtail acres, just exactly the opposite happened. The people who plant corn and wheat and cotton will continue to plant it if the price is up, but when the price goes down which is a result of increased acreage and increased supply, the records show just as clearly as the noonday sun that people go into the dairy business in order to supplement their income, ship out more dairy products, and really do enter into competition with established dairy interests. Those are the facts as, I will show at the proper time to prove the point.

Mr. SHIPSTEAD. Mr. President, the Senator does not mean to state that the farmers raise wheat and corn when prices are high on soil-conservation acres?

Mr. POPE. No; I mean to say that when the price is high it generally means a balanced production and less acreage, or a smaller supply of the commodity. If reducing acres brings about that result, which means increased prices for the commodity, then farmers will not go into the dairy business.

Mr. SHIPSTEAD. Does the Senator mean to say they make so much money that they do not bother about it?

Mr. POPE. That may not be true, but they can make more money generally in raising corn, wheat, and cotton at fair prices than they can by dairying. Otherwise they would have been in the dairying business before.

Mr. SHIPSTEAD. I understand this amendment refers to soil-conservation acres.

Mr. POPE. Those acres which have been diverted to soil-conserving crops.

Mr. SHIPSTEAD. It seems to me there should be an amendment to prevent anything of the kind that is feared happening. The dairy farmer has no protection in the bill unless he gets the protection now sought. If the price of wheat goes up, the price will be raised on middlings and bran, things which the farmer feeds his cows, and he will suffer that handicap.

Mr. O'MAHONEY. Mr. President—

Mr. POPE. Unless the Senator from Wyoming desires to ask me a question, I will yield the floor to him.

Mr. O'MAHONEY. I was merely about to reply to the question raised by the Senator from Minnesota. An examination of the amendment which has just been offered will, I think, indicate to the Senator that there is at least a suggestion of a preventive in the concluding phrase of the amendment. Perhaps the Senator would better take the copy I have instead of the one which was sent forward.

The concluding provision of the amendment is to the effect that the right of the Secretary to make these modifications shall be expressly reserved in the contract which is signed by every cooperator. Each cooperator, therefore, will know that it is the intention of the law that if the diverted acreage is to be used for the production of commodities which are not directly benefited by the act, provision will be made to protect the producers of livestock and of livestock products from that increase. This is much broader than merely protecting the dairy interests. It is intended to protect the livestock industry, that is to say, the raising of cattle and sheep upon the range.

It was the feeling of those of us who drafted the amendment that in all the circumstances it probably would be the most effective way of handling that matter, because if we should authorize or direct or command the Secretary to supervise the immediate activities of every cooperator it would probably require the employment of an army of agents so great that it would be practically impossible to enforce the act, and if it were enforced, it would produce

a degree of regimentation far beyond that which is provided for in the bill.

Mr. SHIPSTEAD. Does not the Senator think we have enough of such an army now so that they could carry this, too, without a new draft?

Mr. O'MAHONEY. I doubt very much whether it could be done.

Mr. McNARY. Mr. President, I cannot attach much importance to the provisions referred to by the Senator. That is at the end of the proposal offered by the Senator from Idaho. It says the Secretary may include in the contract a provision that there shall be some control over diverted acres, but the Senator must know that adjustment contracts are limited to the producers of corn and wheat, and have no relation whatsoever to cotton, tobacco, and rice.

Mr. O'MAHONEY. It applies, of course, to offers as well as to contracts, and the language is that this right shall be expressly reserved in the contract or in the offer; so that there can be no possible doubt what the intention is.

I quite agree with the general objective of the Senator from Oregon with respect to the end to be served, but I feel it is likely to be a very difficult task at best, and that the object is much more likely to be achieved in this manner than by any that has yet been suggested.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield that I may ask a question of the Senator from Idaho?

Mr. O'MAHONEY. I yield.

Mr. SCHWELLENBACH. The idea of the Senator from Idaho, as I understand, was that the acres which have been diverted were not, under the Triple A, used for the purpose of the maintenance of dairy cattle, and that therefore there was no necessity for the amendment. If it is true that they were not so used, what danger is there in the adoption of an amendment which expressly provides that it shall be the duty of the Secretary to require such provision in the contract?

Mr. POPE. I am glad the Senator asked that question, which, of course, anticipates an amendment which the Senator from Oregon, I understand, expects to offer. In that amendment it is provided that payments shall be—

Conditioned upon the utilization of the land with respect to which such payment is made, so that soil-building and soil-conserving crops planted or produced on lands normally used for the production of cotton, wheat, rice, tobacco, or field corn shall be used for the purpose of building and conserving the fertility of the soil.

In other words, it means that if cattle or poultry feed upon these acres that have been diverted and are presumably in soil-conserving crops—if they stray and feed upon them, then the housewife cannot sell a dozen eggs and cannot sell the products of the cattle without foregoing the right to these soil-conservation payments.

Throughout the discussion of this bill I have tried to be entirely reasonable in this matter of regulating the farmer. If this sort of an amendment, suggested by the Senator from Oregon [Mr. McNARY], were to be adopted it would require the Secretary completely to police every farm, for the reason that if a chicken strayed over and scratched in the ground being cultivated to these soil-conserving acres, or if cattle escaped and wandered over into these lands, then the Secretary must know it and refuse to make payments.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. POPE. I yield.

Mr. TYDINGS. The Senator stated a moment ago that these acres taken out of the production of wheat and corn were put in non-soil-depleting crops, such as hay, grass, clover, alfalfa, and what not.

Mr. POPE. Yes.

Mr. TYDINGS. And from these fields put in non-soil-depleting crops, such as hay, clover, alfalfa, and what not, can the Senator tell whether or not the crop—that is, the cutting of the hay or the cutting of the alfalfa—was used to increase the dairy herd?

Mr. POPE. It cannot be done. That is just the point I am making.

Mr. TYDINGS. Then how could the Senator say that it had been the experience under the A. A. A., for example, and the Soil Conservation Act, that fields heretofore planted in corn or wheat and under those acts planted in nonsoil-depleting crops did not increase the dairy business?

Mr. POPE. Because, as a matter of fact, it did not. It was used by the farmer in home consumption and used in various other ways. It was disclosed that the production of milk and milk products actually decreased, or at any rate the shipments of those products decreased, during the operation of the old Agricultural Adjustment Act.

For instance, in the States where wheat farmers could most easily shift to dairy products—Minnesota, Iowa, Missouri, Nebraska, Kansas, and North Dakota—the production of milk decreased from 27,000,000,000 pounds to twenty-four and one-half billion pounds from 1933 to 1937.

Mr. TYDINGS. Was not some of that land in the drought area?

Mr. POPE. Oh, yes.

Mr. TYDINGS. Does not the Senator feel that a great deal of the reduction was due to the fact that not only were some of these farms in the drought area, but the feed supply in that immediate area which would reflect itself in freight rates likewise contributed to a reduction in the production of milk.

Mr. POPE. Let us take States outside of the drought area. The cotton farmers were similarly driven into increased competition with northern dairymen with cotton prices declining, but this competition eased when cotton prices advanced. Following is a table showing the butter shipments from the seven cotton States of Alabama, Arkansas, Mississippi, North Carolina, Tennessee, Texas, and Georgia to markets in New York, Boston, Philadelphia, and Chicago.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. TYDINGS. Mr. President, let me give the Senator an observation, of course, confined to a small territory.

Mr. POPE. Let me finish my answer.

Mr. TYDINGS. But I do not think the Senator can make his answer without his covering the point I am now going to raise. I have watched a good many fields which were formerly planted in soil-depleting crops and thereafter planted in non-soil-depleting crops, such as hay, grass, alfalfa, and so forth. There has been an enormous harvest of hay and alfalfa in that area, which in turn has brought down the price of hay and alfalfa in that area, which in turn has encouraged farmers with small herds or no herds to go into the dairy business, because feed has been plentiful. I am not criticizing the evolution of the program, but I am pointing out that the net result is that you encourage dairy farmers to increase their herds and others to go into the dairy business.

Mr. POPE. First, let me answer the Senator in this way: We heard no less than a dozen witnesses, as I recall, at New York on that very point. They raised the question and suggested that these curtailment programs and the diversion of acres to the soil-conserving crops would have an adverse effect upon dairying. Then I asked each one separately if that effect had been noticeable under the Agricultural Adjustment Act, and everyone said, "No; it did not happen." That immediately raised my interest, so I decided to look into the matter and see what the figures were with reference to that.

Mr. TYDINGS. How about the soil conservation?

Mr. POPE. The soil conservation was the same. They had observed no adverse effect at all under the Soil Conservation Act. I want to challenge anyone now to find one witness who will testify that in actual fact it ever has affected his dairy interests. There will be talk about it; there will be fears expressed; but not one witness who was asked about it said that it affected his dairy interests.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. LA FOLLETTE. Is it not a fact that all the Agricultural Adjustment Act contracts had a provision in them preventing the person who signed the contract from producing nationally sold commodities, and was there not a provision, not quite as stringent, but somewhat similar, and seeking the same objective, in the so-called Bankhead Cotton Act? Is not that the reason why, under these programs the Senator has been discussing, there was not the increase in these other commodities that the Senator has referred to?

Mr. POPE. I will say that there was a provision along the line of that mentioned by the Senator from Wisconsin. But that is the provision that we propose to make under the amendment I have offered.

Let me go on and complete the statement that I made a moment ago.

Mr. LA FOLLETTE. I do not wish to trespass on the Senator's time, but I submit that there is a very great difference between providing specifically in a contract that the person signing it shall not do a certain thing, and the amendment which the Senator from Idaho and the Senator from Wyoming have proposed, which provides that there may be incorporated in the contract a provision that at some later date, if the Secretary finds certain facts to his satisfaction, that he may then proceed to incorporate something in the contract.

Mr. POPE. I wish to give some figures with reference to the statement I made a few minutes ago, that during the time of decline in prices of corn, cotton, or wheat, or any of the other commodities, that is the time when the farmers go into the dairying business, and that when the price goes up on those commodities they stay out of the dairy business.

For instance, in 1928, cotton was 16.8 cents a pound on an average during the year. There was produced and shipped 11,813,000 pounds of butter from the States I mentioned a while ago—a number of Southern States—and in 1931 the price of cotton went down to 9½ cents a pound, and that year there were 12,476,000 pounds of butter shipped.

In 1932 the price of cotton went down to 5.7 cents a pound. That year there was 14,072,000 pounds of butter shipped out of those Southern States to these large central markets.

Let us go on. In 1933 the price of cotton went up to 6.5 cents a pound from 5.7 cents the year before. Then you had practically the same—

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The time of the Senator from Idaho on the amendment has expired.

Mr. POPE. I will take time on the bill. I have not taken any time on the bill, and I should like to finish this matter while I am at it. In 1933 we had about the same amount, 14,429,000 pounds of butter shipped from those States.

Let us look at 1934, when the price of cotton went up to 10.2 cents. The shipment of dairy products or of butter went down to 6,645,000 pounds from 14,429,000 pounds.

The next year the price of cotton went up a little higher. In 1935 it went to 12.4 cents a pound. And the dairy shipments decreased to 5,200,000 pounds.

In 1936 cotton went down from 12.4 cents a pound to 11.1 cents a pound, and then the shipment of butter went up to 6,490,000 pounds.

That can be followed through in the matter of wheat or corn or cotton, and the figures absolutely demonstrate the point I have made.

Let me give the Senate some data with reference to wheat to show how that works. In the States which I mentioned a few minutes ago, Minnesota, Iowa, Missouri, Nebraska, Kansas, and North Dakota, the production of milk decreased from 1933 to 1937 from 27,000,000,000 to twenty-four and a half billion pounds. That was the very time when acres were being reduced under the Agricultural Adjustment Act and the Soil Conservation Act.

Let us take the cotton farmer generally. In 1933 to 1936, inclusive, milk production increased a little in each of the following States: Texas, Alabama, Mississippi, Arkansas, Tennessee, Louisiana, Florida, North Carolina, and South Carolina. It decreased a little in Georgia, Kentucky, and

Oklahoma. The little increase in some of the States about equaled the decrease in other States. For the South Central group of States preliminary figures indicate a possible increase for 1937, but from 1933 to 1936 there was a net decrease from 14,394,000,000 pounds to 14,209,000,000 pounds.

Under these curtailment programs, if you please, there was a reduction in those States.

The preliminary figures for the South Central region for 1937 is 14,850,000,000 pounds. This indicates that the increase of 456,000,000 pounds for the entire southern region is less than half the increase for the single State of Wisconsin.

The interesting thing is that under the operation of the Agricultural Adjustment Act increases are found in those purely dairy States. Take, for instance, the State of Wisconsin. Let me give to the Senator from Wisconsin this statement again. This indicated increase of 456,000,000 pounds for the entire southern region is less than half the increase for the single State of Wisconsin during that period, and only about one-half of the increase in the North Atlantic region. As will be shown later, it was accompanied by a decrease of dairy shipments to the big eastern markets, that is, less competition with northern dairymen.

Now, let us take the case of the corn farmers. Since the A. A. A. the corn farmers have not increased the competition with dairymen. Note this: Since 1933, when the curtailment programs have been in effect, milk production has decreased in the States of Iowa, Minnesota, Missouri, South Dakota, Nebraska, Kansas, Indiana, and Illinois. An increase has occurred in Ohio alone of all the Corn Belt States.

A shift from feed grain to pasture materially reduces the production of feed in terms of total digestible nutrients. The lands taken out of cotton reduce the production of cottonseed meal and cake.

Now, get the point: Putting these lands into legumes and grass actually does not increase the food to the cattle. It decreases it as a whole, because the corn, the wheat, and the cottonseed-meal cake actually furnish more food value than the crops into which the diverted acres are put. Hence while the program might in some cases lead to increases in cattle numbers it does not lead to an increase in the total production either of beef or of dairy products.

After carefully studying the changes in farming which would be encouraged by the farm programs, and balancing off the different factors against each other, the Bureau of Agricultural Economics has come to a conclusion directly contradictory to the philosophy of the amendment to which the Senator from Oregon has referred and to which the Senator from Washington referred a few minutes ago.

In the period of decline and collapse of wheat prices—that is, 1929–33—milk production jumped in important wheat States as follows:

North Dakota increased 203,000,000 pounds.

Idaho increased 124,000,000 pounds.

Mind you, that was at the time of decline in the price of wheat.

Texas jumped 292,000,000 pounds.

Oklahoma jumped 272,000,000 pounds.

Kansas jumped nearly half a million pounds.

When the prices were low and surpluses were great, that was the result.

In the same period, when falling corn prices forced corn growers to milk cows, milk production increased substantially in the Corn Belt States of Ohio, Indiana, Illinois, Iowa, Missouri, and Kansas.

Mr. BONE. Mr. President, will the Senator yield?

Mr. POPE. Just let me finish the sentence. In these States alone the annual production of milk jumped more than 2,000,000,000 pounds in this period, because corn growers were compelled by low prices to turn to dairying for supplemental income.

I now yield to the Senator from Washington.

Mr. BONE. Mr. President, assuming that the conclusions of the Department of Agriculture to which the Senator has referred are accurate, and that that is the case, why should the Department object to an arbitrary provision in the con-

tract so as to settle this question, just put it at rest and repose right now?

There can be no harm in adopting the amendment suggested by the Senator from Oregon. It merely accomplishes what the Senator says is an actual fact. Why leave it to conjecture? The amendment the Senator has offered merely allows the Secretary to do it or not to do it, as he sees fit; and I do not like that sort of a provision.

Mr. POPE. That is a very fair question. Now let us see what the amendment does propose to do.

The amendment to which the Senator from Washington referred would call for a degree of regulation and policing not contemplated by any other provision in the entire bill. There is the utmost inconsistency in proposing the McNary amendment while criticizing the bill on the ground that it involves regimentation. The amendment would necessitate inquiry to determine the use finally made of products such as milk and butter from animals and eggs from chickens grazed or fed on forage from particular fields. A multiplicity of regulations would be needed to assure that animals or poultry producing milk or eggs for sale were kept out of certain fields and not fed on forage from those fields. Such regulations would tend to break down the administration of the farm program in all regions.

As the Senator from Nebraska [Mr. NORRIS] pointed out when substantially this amendment was before the Senate during the consideration of the Soil Conservation and Domestic Allotment Act in 1936, there is real danger here of running counter to the Hoosac Mills decision, because, as the Senator from Georgia pointed out yesterday, the proposal does go into a high degree of supervision and regimentation, if we want to call it that, in connection with the use of the diverted acres.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. POPE. Just a moment. Just imagine this:

A housewife goes to town and sells a dozen eggs. The Secretary, through one of his agents, learns that one of her chickens got over and scratched a little in these acres, and laid some eggs, and they were among the eggs that were sold. Under the amendment to which I have referred, soil-conservation payments would be denied to that family.

Take the same thing with reference to a cow. Some night an old cow breaks down the fence and gets over into a field of diverted land, and grazes there for a few hours before the farmer can get her out. Then if the Secretary, or whoever may be on the spot looking for such violations as that, finds that out, he has no alternative than to deny soil-conservation payments.

Mr. BONE. Mr. President—

Mr. POPE. Let me go on.

For one, let me say that I did not favor the amendment of the Senator from Louisiana yesterday, whereby under this bill it would be necessary to go into the very household and direct the affairs of the individual farmer. I do not believe that a provision of that kind should be put into the bill in connection with any dairy amendment. I do not want it to be necessary to send an agent out to watch every farmer to see whether or not a hen got over the fence into another field, or a cow happened to jump the fence and stay over there a few hours, and, upon finding that out, to deny benefits. Besides, no administration could carry such a provision as that into effect.

Mr. BONE. Mr. President, will the Senator yield?

Mr. POPE. I now yield to the Senator from Washington.

Mr. BONE. Mr. President, in the first place, I do not agree with the Senator that there is no regulation in this bill. This bill is regulation in a superheterodyne sort of style. As for policing, I doubt if the United States Senate ever had before it a bill, certainly in my time here, which calls for much more regulation than this bill, and I think most men on the floor of the Senate will agree with me. I doubt if they reach the conclusion that the Senator from Idaho reached about it; but he says he does not want the Secretary to do anything in the way of regulating these matters.

What does this language mean?—

He shall * * * make such provisions * * * as he determines may be required with respect to the growing of conserving crops.

Is that just a sort of a fake and a fraud, language to deceive us or to give us the idea that the Secretary might do something which he probably would not do? The Senator says he would not think of doing anything like taking these idle acres into the dairy business.

Mr. POPE. Mr. President—

Mr. BONE. Wait; I have not finished. Is this program here merely to deceive us, and make us think we are getting something that we are not getting?

Mr. POPE. Of course not. If anybody can prove—which nobody will be able to prove—that diverting these acres has adversely affected the dairy interest, or if someone has any rumors or suspicions that that is the case, he may submit the matter to the Secretary, who will make an investigation. That does not mean that he is going to have a sentry posted at the gate of every farmer to see whether a chicken or a cow gets over the fence.

Mr. BONE. Mr. President, will the Senator yield again?

Mr. POPE. No; I will not yield until I get through answering this question. My amendment means that the Secretary will make a careful investigation, and if he finds out that there is anything to such a charge or to such rumors, he will be able to deal with the matter, which I submit is an entirely different thing from having the obligation placed upon him to determine in every case whether or not a milk cow had eaten a bite of grass over in another field, or a chicken had scratched up a grain of corn found in diverted acres, and, if so, to deny to the farmer the payments due.

Let me point out here what has been done recently for the dairymen. I am for them. I oppose the amendment to which we have been referring because I think it will be injurious to the farmer. There are plenty of regulations in the bill, I admit; but there is no use in adding regulations when we have a situation like this. I am not in favor of absolutely policing the home of every farmer. There is nothing in the bill which requires that, but this amendment would do it.

I want it to be understood that under the McNary amendment the Secretary would be expected to do that. He would be required to do it if he did his duty, or to depend upon people reporting their neighbors when a cow got over the fence into a field where there were diverted acres. I am not afraid of regulation. If there were any point in doing it, then I would be in favor of the amendment; but I have pointed out the situation to you, and I challenge anybody to furnish any figures showing that under any curtailment program the results were not as I have indicated.

Take the case of the State of Wisconsin; take the case of other dairy States such as the State of New York: They all increased their production and shipment of butter and other dairy products during the period of crop curtailment under the Agricultural Adjustment Act, and the States which produced principally corn and wheat and cotton did not increase their production.

Mr. LA FOLLETTE. Mr. President—

Mr. POPE. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. But of what weight are the statement and the figures which the Senator gives when he has already acknowledged that both of the curtailment programs provided in the contracts that the persons who were beneficiaries could not produce nationally sold farm commodities in competition? It has not anything that I can see to do with the matter excepting that it is an argument in favor of incorporating in this bill some similar and effective provision.

Mr. BONE. Mr. President, will the Senator yield for another question?

Mr. POPE. Just a minute; let me answer the question. I have just been advised by the Department that in 1934 and 1935 those provisions were suspended, and no such

provisions were in the contracts, which would tend to support the argument I have made.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. POPE. I yield to the Senator from Oregon.

Mr. McNARY. Just for the RECORD, let me state that 1934 and 1935 were drought years, and the livestock men and the poultrymen and the dairymen petitioned the Secretary not to include that provision in the contracts.

Mr. POPE. Yes; that is the way it came about, but such provisions were not included.

Mr. McNARY. So the figures the Senator has mentioned are wholly without application.

Mr. POPE. They entirely apply if there were no such provisions in the contracts as the Senator from Wisconsin suggested. That would entirely break the effect of his argument.

Now, let me go ahead and finish what I was saying. Let me tell you what has been done for the dairy interests within the past few years; and I am very happy that it has been done, and I have supported every one of these measures.

The Government has given the dairymen a 14-cent butter tariff and other tariff protection.

It has given them the virtual equivalent of the wheat, cotton, and corn quotas in the provision for enforcing milk-marketing agreements or orders.

The bovine-disease eradication program has been carried out, in which \$61,802,252 has been spent since July 1934 in eradicating tuberculosis, Bang's disease, and other diseases.

The A. A. A. surplus removal and diversion purchases, in which \$28,213,653 was spent from May 12, 1933, to October 31, 1937, for dairy products.

Help has been given in drought cattle-buying operations from 1934 to 1936.

Loans have been made available through the Farm Credit Administration to help finance dairy cooperatives.

Now let me give you some of the figures of the amounts that have been paid to farmers in leading dairy States.

Minnesota got \$18,334,331 out of the soil-conservation program, which went to dairy farmers the same as to others, with reference to soil conservation and diversion of acreage.

Mr. DUFFY. Mr. President, will the Senator yield at that point?

Mr. POPE. Yes.

Mr. DUFFY. Does the Senator recognize the fact that the dairy farmers benefited the least of all classes of farmers in the soil-conservation program which has been enacted so far, and under the A. A. A.?

Mr. POPE. I cannot answer the Senator's question. I do know that they have participated.

In Wisconsin there was received \$11,875,090.

In Michigan there was received over \$7,000,000.

In New York, over \$3,000,000.

In Vermont, \$306,000.

In New Hampshire, \$105,000 has been paid.

If I were not so thoroughly convinced from the facts and from the figures which have been worked out carefully by me and at my request that there is no danger to the dairy industry, I should not today be making this argument. My own State has an important dairy industry. I am thoroughly convinced, however, that the facts are directly contrary to the very theory and philosophy of the amendment offered by the Senator from Oregon.

Furthermore, if the Senator from Oregon wants to make this amendment effective for the industry, and wants to place a policeman at every farm home to find out where cattle roam and where chickens fly to, then I think it at least does not indicate that his mind with respect to this matter is running as it has been running during other portions of this debate. I am not willing to impose upon the Secretary the obligation to police every farmer to see whether he is violating this requirement, and if the Secretary finds that he is doing so, in some minor matter, then to deny the farmer soil-conservation payments, even though he complied in every other respect with the obligation of his contract, or the offer which he has accepted.

Mr. McNARY. The policeman will be there anyhow.

Mr. POPE. Let me say to the Senator that he is entirely mistaken about that. In following through the provisions of the bill, I have opposed every one intended to regiment the farmer or to invade the home or to make it necessary for the Secretary to do the extent of policing and supervision that is provided for in the Senator's amendment. Not one goes that far. The only one that has approached it is the one presented yesterday by the Senator from Louisiana [Mr. ELLENDER], which the Senate rejected. This would go clear beyond the provisions of the amendment presented yesterday by the Senator from Louisiana. The Secretary does not want to be placed in the position of policing farms to the extent that would be involved in the McNary amendment.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. DUFFY. Does not the Senator recognize that the amendment which he condemns is practically word for word the amendment adopted by the House of Representatives in the farm bill passed by that body?

Mr. POPE. Certainly I do, but I am opposed to the amendment adopted by the House, just as I am opposed to the amendment of the Senator from Oregon. It contains the unjust and vicious features that are contained in the amendment of the Senator from Oregon.

Mr. President, I ask to have inserted as a part of my remarks a table showing the estimated production of milk on farms by States from 1929 to 1937.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated production of milk on farms, by States, 1929-37¹

| State and division | Milk production ² | | | | | | | | |
|---------------------|------------------------------|----------------|----------------|----------------|----------------|-------------------|-------------------|-------------------|-------------------|
| | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 ³ | 1935 ³ | 1936 ³ | 1937 ⁴ |
| | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds |
| Maine..... | 624 | 656 | 649 | 647 | 651 | 635 | 632 | 626 | ----- |
| New Hampshire..... | 360 | 372 | 374 | 372 | 380 | 380 | 378 | 372 | ----- |
| Vermont..... | 1,222 | 1,291 | 1,336 | 1,320 | 1,305 | 1,284 | 1,341 | 1,377 | ----- |
| Massachusetts..... | 746 | 749 | 740 | 719 | 722 | 747 | 773 | 782 | ----- |
| Rhode Island..... | 128 | 133 | 132 | 132 | 132 | 128 | 132 | 135 | ----- |
| Connecticut..... | 562 | 583 | 597 | 623 | 638 | 616 | 623 | 647 | ----- |
| New York..... | 6,973 | 7,068 | 7,867 | 7,340 | 7,297 | 6,983 | 6,956 | 7,188 | ----- |
| New Jersey..... | 712 | 699 | 705 | 684 | 714 | 819 | 845 | 862 | ----- |
| Pennsylvania..... | 4,242 | 4,322 | 4,439 | 4,367 | 4,299 | 4,356 | 4,498 | 4,550 | ----- |
| North Atlantic..... | 15,569 | 15,873 | 16,339 | 16,204 | 16,138 | 15,948 | 16,178 | 16,539 | 17,120 |
| Ohio..... | 4,038 | 4,027 | 4,124 | 4,077 | 4,318 | 4,301 | 4,364 | 4,464 | ----- |
| Indiana..... | 2,975 | 2,905 | 3,024 | 3,041 | 3,104 | 3,048 | 3,049 | 3,058 | ----- |
| Illinois..... | 4,483 | 4,630 | 4,673 | 4,754 | 5,096 | 5,081 | 4,873 | 4,849 | ----- |

¹ The data for 1929-31 are from the 1933 Yearbook of Agriculture, table 378, p. 637; 1932 from the 1935 Yearbook of Agriculture, table 387, p. 601; and 1933 from the 1937 Agricultural Statistics, table 407, p. 299.

² Excluding milk spilled or wasted on farms and milk sucked by calves.

³ Preliminary.

⁴ Indicated as of Nov. 1, 1937.

Estimated production of milk on farms, by States, 1929-37—Continued

| State and division | Milk production | | | | | | | | |
|-------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 | 1937 |
| | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds |
| Michigan..... | 4,028 | 4,014 | 4,165 | 4,192 | 4,272 | 4,224 | 4,257 | 4,465 | ----- |
| Wisconsin..... | 11,056 | 11,207 | 11,305 | 10,992 | 10,851 | 10,659 | 10,921 | 11,598 | ----- |
| East North Central..... | 26,580 | 26,803 | 27,291 | 27,056 | 27,641 | 27,313 | 27,464 | 28,434 | 28,580 |
| Minnesota..... | 7,474 | 7,590 | 7,727 | 7,810 | 8,166 | 7,482 | 7,384 | 7,745 | ----- |
| Iowa..... | 5,869 | 5,927 | 5,948 | 6,046 | 6,287 | 6,150 | 6,009 | 6,133 | ----- |
| Missouri..... | 3,319 | 3,471 | 3,628 | 3,582 | 3,593 | 3,371 | 3,422 | 3,130 | ----- |
| North Dakota..... | 2,075 | 2,162 | 2,268 | 2,258 | 2,278 | 1,968 | 1,973 | 2,020 | ----- |
| South Dakota..... | 2,132 | 2,208 | 2,180 | 2,005 | 2,118 | 1,668 | 1,632 | 1,715 | ----- |
| Nebraska..... | 2,669 | 2,806 | 2,808 | 2,755 | 3,142 | 2,929 | 2,697 | 2,639 | ----- |
| Kansas..... | 2,977 | 3,058 | 3,215 | 3,268 | 3,456 | 3,238 | 3,108 | 2,930 | ----- |
| West North Central..... | 26,515 | 27,222 | 27,774 | 27,724 | 29,040 | 26,806 | 26,225 | 26,312 | 25,650 |
| Delaware..... | 130 | 124 | 130 | 130 | 129 | 125 | 130 | 134 | ----- |
| Maryland..... | 783 | 752 | 770 | 765 | 764 | 769 | 772 | 784 | ----- |
| Virginia..... | 1,338 | 1,202 | 1,302 | 1,280 | 1,248 | 1,332 | 1,362 | 1,334 | ----- |
| West Virginia..... | 752 | 727 | 760 | 748 | 784 | 806 | 845 | 821 | ----- |
| North Carolina..... | 1,078 | 1,052 | 1,088 | 1,113 | 1,232 | 1,252 | 1,270 | 1,332 | ----- |
| South Carolina..... | 466 | 464 | 479 | 488 | 564 | 542 | 548 | 571 | ----- |
| Georgia..... | 1,011 | 1,094 | 1,002 | 1,010 | 1,077 | 1,109 | 1,086 | 1,090 | ----- |
| Florida..... | 234 | 221 | 235 | 238 | 285 | 274 | 278 | 293 | ----- |
| South Atlantic..... | 5,792 | 5,546 | 5,766 | 5,770 | 6,083 | 6,209 | 6,291 | 6,359 | 6,700 |
| Kentucky..... | 1,882 | 1,748 | 1,777 | 1,796 | 1,911 | 1,904 | 1,946 | 1,845 | ----- |
| Tennessee..... | 1,627 | 1,592 | 1,607 | 1,607 | 1,679 | 1,712 | 1,766 | 1,750 | ----- |
| Alabama..... | 1,068 | 1,079 | 1,100 | 1,152 | 1,170 | 1,226 | 1,244 | 1,247 | ----- |
| Mississippi..... | 1,172 | 1,212 | 1,287 | 1,326 | 1,300 | 1,308 | 1,324 | 1,347 | ----- |
| Arkansas..... | 1,146 | 1,092 | 1,167 | 1,218 | 1,254 | 1,236 | 1,224 | 1,235 | ----- |
| Louisiana..... | 539 | 513 | 526 | 544 | 575 | 594 | 578 | 588 | ----- |
| Oklahoma..... | 2,234 | 2,217 | 2,342 | 2,450 | 2,506 | 2,286 | 2,275 | 2,186 | ----- |
| Texas..... | 3,707 | 3,655 | 3,858 | 4,010 | 3,999 | 3,738 | 3,741 | 4,011 | ----- |
| South Central..... | 13,405 | 13,108 | 13,664 | 14,103 | 14,394 | 14,004 | 14,098 | 14,209 | 14,850 |
| Montana..... | 783 | 793 | 737 | 730 | 762 | 731 | 693 | 649 | ----- |
| Idaho..... | 932 | 1,000 | 1,010 | 1,012 | 1,056 | 1,004 | 975 | 996 | ----- |
| Wyoming..... | 295 | 282 | 275 | 262 | 284 | 265 | 263 | 272 | ----- |
| Colorado..... | 1,094 | 1,086 | 1,062 | 1,004 | 1,092 | 1,037 | 919 | 1,003 | ----- |
| New Mexico..... | 221 | 221 | 224 | 221 | 217 | 219 | 231 | 247 | ----- |
| Arizona..... | 187 | 194 | 195 | 195 | 204 | 225 | 224 | 228 | ----- |
| Utah..... | 576 | 575 | 578 | 567 | 570 | 518 | 494 | 509 | ----- |
| Nevada..... | 110 | 116 | 108 | 102 | 99 | 103 | 106 | 108 | ----- |
| Washington..... | 1,590 | 1,663 | 1,670 | 1,676 | 1,685 | 1,798 | 1,884 | 1,921 | ----- |
| Oregon..... | 1,199 | 1,265 | 1,291 | 1,284 | 1,290 | 1,323 | 1,329 | 1,333 | ----- |
| California..... | 3,934 | 3,989 | 3,986 | 3,953 | 4,167 | 4,025 | 4,047 | 4,064 | ----- |
| Western..... | 10,921 | 11,184 | 11,136 | 11,006 | 11,426 | 11,248 | 11,165 | 11,330 | 11,500 |
| United States..... | 98,782 | 99,736 | 101,970 | 101,863 | 104,722 | 101,528 | 101,421 | 103,183 | 104,400 |

Mr. SMITH. Mr. President, is an amendment pending to be voted on?

The PRESIDING OFFICER. The amendment of the Senator from Idaho [Mr. POPE] is pending and to be voted on.

Mr. SMITH. The reason why I ask is that I have an independent proposal which I desire to offer in the form of an amendment, but I want the pending question disposed of so that I may have an opportunity to offer a new section to the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

Mr. McNARY. Mr. President, I offer the amendment which I send to the desk, it being in the nature of a substitute for the amendment submitted by the Senator from Idaho. I ask that my substitute may be read by the clerk.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be read by the clerk.

The LEGISLATIVE CLERK. On page 82, after line 21, it is proposed to insert the following:

(k) Payments with respect to any farm (except for lands which the Secretary determines should not be utilized for the harvesting of crops but should be permanently used for grazing purposes only) shall be further conditioned upon the utilization of the land, with respect to which such payment is made, so that soil-building and soil-conserving crops planted or produced on lands normally used for the production of cotton, wheat, rice, tobacco, or field corn shall be used for the purpose of building and conserving the fertility of the soil, or for the production of agricultural commodities to be consumed on the farm, and not for market. As used in this subsection the term "for market" means for disposition by sale, barter, exchange, or gift, or by feeding (in any form) to poultry or livestock which, or the products of which, are

to be sold, bartered, exchanged, or given away; and such term shall not include consumption on the farm. An agricultural commodity shall be deemed consumed on the farm if consumed by the farmer's family, employees, or household, or by his work stock; or if fed to poultry or livestock on his farm and such poultry or livestock, or the products thereof, are to be consumed by his family, employees, or household.

Mr. McNARY. Mr. President, when the bill was introduced and some days later a report filed, I offered this amendment at the request of the National Cooperative Milk Producers' Federation. A similar amendment was introduced in the House by Representative BOILEAU, of Wisconsin. Some weeks later the able Senator from Idaho [Mr. POPE] offered the amendment which is now before the Senate and which I hope to displace by my substitute.

Since I have introduced the amendment I have had telegrams from dairy producers, organizations, and many individual producers of milk, producers of livestock, and producers of poultry, favoring the language employed in my substitute. These did not come from my friends. They came from those who have had experience in the industry which we desire to protect and who know rationally that one of the most momentous problems following in the wake of the passage and administration of this bill is going to be what to do with diverted lands. They do know that will confront the country as a large problem.

The amendment came before the House and was incorporated in the bill as it passed the House. An effort was made on the floor of the House to defeat the amendment, but without success. It is now in the House bill which has been messaged to the Senate.

I offer the amendment to protect particularly the producers of livestock, the producers of milk, and the producers of poultry.

The proposal of the Senator from Idaho in my opinion does not attempt to touch upon that which I think is one of the vital things in the administration of the bill. In his amendment it is provided that—

Whenever the Secretary has reason to believe that the income of producers of livestock or livestock products in any area from such sources is being adversely affected by increases in the supply for market of livestock or livestock products—

Then the Secretary shall make an investigation.

Talk about policemen and regimentation. The Secretary must make a national survey wherever these conserving crops are planted, to find out if the production of these crops has in any way affected this stable industry. The substitute which I have offered has in it no regimentation and does not provide for any policing. Indeed, it is interesting to me to see how humorous the Senator from Idaho [Mr. POPE] has become when he speaks about the hen that might fly over the fence or the cow that might get into the neighbor's yard. Usually my friend is as serious as salvation and sometimes as dry as the summer dust, but he has grown very humorous today in his extravagant use of these similes in order to divert our attention from the very point we are trying to accomplish—to protect the industry that receives no benefit under the pending bill.

Mr. POPE. Mr. President, will the Senator yield?

Mr. McNARY. I am very happy to yield to my friend.

Mr. POPE. Let me ask the Senator if a dairy cow were to feed on the diverted acres and the farmer sold the products of the cow, the milk or the butter, would not the Secretary under the Senator's amendment be required to withhold payments otherwise to be made?

Mr. McNARY. I answer that by saying, the dairy cows are contented cows and are glad to stay at home. [Laughter.]

Mr. POPE. Would the Senator—

Mr. McNARY. The Senator asked me a little while ago not to intrude. I heard his argument about the old cow and the old hen. I have only 15 minutes, and I want to explain my substitute.

Mr. POPE. I should like to have the Senator answer a question.

Mr. McNARY. Very well; I shall be gracious and yield.

Mr. POPE. Will the Senator answer—if a milk cow got into a field of diverted acres and the products of that cow were sold, would not the Secretary under the Senator's amendment be required to refuse to pay the soil-conservation payments?

Mr. McNARY. That is as absurd as building a railroad to Mars. I would not dignify it by attempting to argue such a statement. I hope the Senator is satisfied with my few observations.

Mr. POPE. The Senator has not answered my question.

Mr. McNARY. I have answered the question, and I think to the satisfaction of those who are familiar with the Senator's proposal and with mine and with the general philosophy and policy of the bill. I cannot give the time within the 15-minute limit to bring conversion to the heart and mind of my very kindly friend from Idaho. There are some things in life that are insuperable.

Mr. President, let us look seriously at this matter and forget the old cow and the old hen of my friend from Idaho. I think one of the most troublesome, one of the most momentous, one of the most perplexing problems we have before us is what we are going to do with the diverted acres under the provision of the bill. The bill mentions five commodities called major agricultural commodities, and benefits are to be extended to them or the hope of benefits. That simply means we are disarranging the economic order in connection with agricultural commodities.

When this dislocation occurs, and it occurs by reason of the diversion of these acres, what are we to do with the diverted acres? I do not want to see them become competitive with those industries which are to receive no

benefits under the bill. Cotton, wheat, corn, tobacco, and rice are to receive soil-conservation payments and parity payments, if there is any money to pay parity—from which they are now running away—and to keep the money that may be obtained we are asked to form a corporation, which is called a bank, as provided for in the bill. Those people are to receive these benefits, while the great poultry industry and dairy industries, which in their importance far outweigh any industry mentioned in the bill, are to receive none.

The livestock industry exceeds all other industries in the country. Next to that comes the "old cow" which my friend from Idaho has been discussing, and next comes the "old hen" to which he has referred. Those three industries—livestock, poultry, and dairying—far exceed all the other industries in gross income mentioned in the bill. Are not they entitled to some consideration?

I appeal to every honest mind and fair heart in this body. When those great industries, larger than any others, receive no benefit, should not they receive some protection?

What are we asking for in the substitute I have proposed? In order that there may be no mistake let me read its simple language. It provides that the payments—

shall be further conditioned upon the utilization of the land, with respect to which such payment is made, so that soil-building and soil-conserving crops planted or produced on lands normally used for the production of cotton, wheat, rice, tobacco, or field corn shall be used for the purpose of building and conserving the fertility of the soil, or for the production of agricultural commodities to be consumed on the farm, and not for market.

What does that mean, Mr. President? The crops mentioned in the bill are soil-depleting crops. I am now dealing with crops which are soil-building, soil-conserving crops, and what are they? Everyone who has had any practical knowledge of the farming industry, who has some knowledge of the agricultural business of the country, knows that soil-building crops are the legumes, to use a generalization. As I stated here a day or so ago, the clovers of the South, the soybean and the cow pea and the clovers and the alsike of the Middle Western States, and the clovers and the vetch of the West, have a definite classification as soil builders. What we are asking is that when these lands are turned from soil-depleting uses and are used for soil building they be used honestly for that purpose, and not competitively with industries which are receiving no benefits under the bill. That is a plain statement. Anyone should know that, but unfortunately all do not seem to know it.

When we talk about giving money from the Treasury to buy these soil-building seeds with which the farmer may enrich his soil, that he may have a better crop next year or the third year, we mean it. If we do not, let us defeat the amendment. If we intend to let the farmers divert these lands to competitive uses, let us adopt the amendment of the Senator from Idaho. But if we adopt the pending amendment, we are telling the farmer and the American public exactly what we may expect, namely, that when the Government pays the money involved, \$400,000,000 as originally proposed, now reduced to \$275,000,000 by virtue of the parity-payment provision, when that amount of money is paid to these farmers and these soil-building seeds are sown and the crops are raised, the farmer must be content with that gratuity and plow the crops under.

Let me say another thing as one who has had some experience in this line of work. We know that these crops are nitrogenous in character, that at the end of every little root there is a nodule which contains nitrogen. We know that that is not the only element necessary in the enrichment of the soil. The top, the body of the grass, carries humus and phosphates. To make certain that the land will receive all the enrichment and benefit to which it is entitled, the crop must be plowed under the soil. That is what a farmer does who knows farming, and he does it without any benefits from the Government.

Let me state what we seek by the amendment. When the farmer receives his money, he plants the diverted acres to these legumes and plows them under, and does not use it to expand the dairy interest and the poultry interest and the

livestock interest; he does exactly what he should do as an honest farmer, take his benefit from the Government and make the best use of it, rather than selling his alfalfa to someone who wants to increase his dairy herds or his livestock herds or his poultry.

Mr. President, to me that is a self-evident proposition, and it is fair. We provide that this work shall be done, we pay the benefit, then the farmer should take the whole of the benefit rather than use the land for a commercial purpose. He should not receive two benefits, one from the Government in the way of a benefit through soil conservation and the other from the sale of the products for which the Government advances the money gratuitously.

Mr. President, my time is passing and I desire to read some statements of the secretary of the National Cooperative Milk Producers' Federation. I read from a letter written to me 2 days ago, which refers to the amendment of the Senator from Idaho. The letter states:

This proposed amendment by Senator POPE will not answer the problem confronting the livestock, dairy, and poultry producers of the Nation with respect to acres diverted from the production of cotton, corn, rice, wheat, and tobacco. It establishes no policy of Congress. It merely gives the Secretary a power, which he probably has anyway, to put into the crop-control contracts clauses designed to protect other producers.

I call the attention of the Senator from Idaho to what I am about to read.

You may recall that shortly after the original Agricultural Adjustment Act passed—

Which was overthrown by the Supreme Court—

the Department did for a time place a requirement in its adjustment contracts that producers signing these contracts should not use their diverted acres for the growing of crops which would increase the commercial output of the livestock, dairy, and poultry industries.

That was in the contracts which were signed covering the period about which my excellent friend from Idaho read these long and tiresome and worthless statistics. Let me continue:

When the first drought in the Roosevelt administration came on—

Which was in 1934 and 1935, the years specifically referred to by the Senator from Idaho—

the Department suspended the operation of this provision. At that time we assented to the suspension.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. CONNALLY. Did not the dairy people make the request of the Government because they wanted to get some cheap feed?

Mr. McNARY. Oh, no. All I ask of the Senator is to exercise patience, and conversion will follow.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. McNARY. I think I have a few minutes left on the bill.

The PRESIDING OFFICER. The Senator has time on the bill.

Mr. McNARY. Mr. President, the letter I was reading continues:

When the first drought of the Roosevelt administration came on the Department suspended the operation of this provision.

That was when in Texas, Oklahoma, Nebraska, Kansas, Iowa, and the other unfortunate States, there was a very great shortage of wheat and corn and hay. What does this writer say further?

At that time we assented to the suspension.

"We assented to the suspension." They agreed to it because they did not want to see any human or animal perish, of course.

The Department could never be persuaded to restore the provision.

Mr. President, that is the story. It was in the original contracts, when the drought came on in 1934 and 1935, it was taken out, and since that the Secretary has never been

willing to restore the provision. Hence they want this declaration of policy by Congress, and not the mere investigation which the Senator from Idaho would have.

On the other hand, the amendment which you offered on November 29—

Which I am discussing—

is a clear statement of congressional policy and would be a protection to the Secretary as well as a protection to the livestock, dairy, and poultry industries.

Our people are bound to feel the impact of permanent diversion of so much land from cotton, corn, wheat, tobacco, and rice into grasses and clovers.

While recognizing Senator POPE's desire to be helpful we feel that his amendment would not aid us, and that yours should be passed instead of the POPE amendment.

Sincerely yours,

CHARLES W. HOLMES,

Secretary, National Cooperative Milk Producers' Federation.

Mr. President, this association represents the great dairy interests.

There is a lot to be said on this subject. I recognize that the Senator from Idaho has attempted to follow through with his bill, as a good legislator should, and has suggested this proposition, which does not, in my opinion, in any way touch the problem at all.

In conclusion, I am only asking, not for a policeman but for a policy, and that we state to the farmer who plants these grasses at the expense of the Government, fully utilize them by permitting them to grow, and plow them under, in order to get the great advantage after utilization, and not sell them or use them in competition with industries which receive no benefit whatsoever under the bill, and who must experience a higher cost of production.

Mr. DUFFY. Mr. President, I rise to support the amendment proposed by the Senator from Oregon [Mr. McNARY]. In view of the very limited time I prefer to make my brief statement first, and then I shall be glad to consume the balance of my time in answering any questions which may be propounded.

I was a little astonished a short time ago when mention was made of dairy farmers by one Senator—that he thought this was a farm bill. I wish to call the attention of Senators to the fact that the highest in value of all agricultural commodities are dairy products. That in the marketing year of 1936-37 the value of dairy products in this country was three times the value of wheat, almost twice the value of cotton, more than \$2,000,000 in excess of the value of corn. Certainly the people who produce the dairy products in this country live on farms just as much as do the cotton farmers and wheat farmers, and I suggest they have just as great difficulty in getting along. When in 1932 cotton went down to around 5 cents a pound, cheese sold in my State for 8.6 cents a pound, the lowest price in all the history of dairying in this country. Butterfat sold at that time at an average price of 17.9 cents a pound. I submit that with the large investment the dairy farmer must have in order to get started in that business, that the dairy farmer in those years, with cheese selling at that price and with that low price for butterfat, was in just as precarious and just as serious a condition as were the cotton farmers and the others who suffered at the same time.

I think it is not unfair, therefore, for those in whose States dairy products are very prominent and important commodities to suggest that no benefits are to be obtained under the pending bill by those people, who are also interested in agriculture, and that there should be the greatest possible protection afforded to them.

The dairy farmer does not complain that people in the South or the West or in any other section of our country are going into the dairy business if they do it on their own power; if they do it as a matter of fair, natural competition. The dairy farmer objects to having the Federal Government paying one class of farmers money for taking their acres out of production and then using the land which they have taken out of production to go into competition with dairy farmers. We are trying to reduce surpluses. We recognize that the problem is a serious one. But if we subsidize farmers to go

into competition with the dairy farmers, we shall have another surplus to deal with in a very short time, and we shall be up here then with some sort of a bill trying to reduce the surpluses of dairy products.

Mr. President, the figures which the Senator from Idaho [Mr. POPE] suggested were not at all impressive to me, because at the time he said the dairy production went down in the States which he mentioned the figures show, as I recall, that dairy production went down in all the other States also. In other words, there were certain conditions of weather, there was a certain financial condition of the country, which all contributed to that decrease.

But why is it that we hear whispered around here during the past few days, as we have heard it, when mention is made of this dairy amendment, "We do not want to support that. We do not want to be bound by that." Why is it that this opposition is engendered if there is not any danger of people wanting to put the acres that the Government pays them to take out of cultivation of their crop into competition with the industry, which is the greatest of all the agricultural industries of the country?

Milk is the cash product, and the only cash product, that we have in our part of the country; under this bill we could not go out of production of dairy commodities and start going into the production of corn or wheat, or, if our climate permitted, into the production of cotton. Then why should the people who have labored for many long years in building up their dairy herds be subjected to competition of this sort? It takes considerable investment to get their dairy herds up into a position where they can make a very moderate living.

Some of my colleagues told me the other day that the dairy farmers are not in a bad situation. Statistics show that from 1932 to 1935 the increase of the return of the farmers in my State was 41 percent; but at the same time cotton had more than doubled in value during that period, and so had corn, and so had wheat.

Therefore, it seems to me, in connection with the figures which were given, that we ought to think about the percentage, because in those 3 years when the farmer's condition did become better, when the dairy farmer did get a 41-percent increase in his return, cotton increased from 5.7 cents a pound to 12.3 cents in the same years, or 120 percent; corn increased from 32 cents to a little over 99 cents, or over 200 percent; and wheat increased from 39 cents to practically a dollar a bushel. So I say that all the dairy farmer asks is, not that he should have any undue favors but only that he shall not be discriminated against; only that he shall not be forced to come into competition with other sections of this country that have received subsidies from the Federal Government.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. DUFFY. I am pleased to yield to the Senator from Indiana.

Mr. MINTON. What leads the Senator from Wisconsin to believe that the acres which are diverted by the farmer, for which the Government subsidizes him, would be used after diversion in the dairying business, rather than, let us say, the raising of potatoes or peanuts or something else?

Mr. DUFFY. That is very simple, Mr. President. We are going to take 50,000,000 or 60,000,000 or more acres of American farms out of the production of soil-depleting crops, and under this bill those farmers will be compelled to plant that land in grass and legumes and just the things on which they feed dairy cattle. If the Government is paying farmers in various parts of the country just to raise these crops that can so readily be fed and are usually fed to dairy cattle, of course, we ought not to be so naive as to say, "Well, probably if there is not some restriction, nothing will be done about it."

Human nature is human nature. It is just the most normal thing in the world to feed those kind of crops to dairy cattle.

I could not and I still cannot understand, Mr. President, the wording of the bill on page 19, where it refers to these contracts. It says:

Such contracts shall further provide that such cooperator shall engage in such soil-maintenance, soil-building, and dairy practices with respect to his soil-depleting base acreage diverted from the production of the commodity, as shall be provided in his adjustment contract.

I made inquiry at the beginning of the debate of the Senator from Idaho, as to this provision, and his explanation was that the words "and dairy practices" were placed in the bill so that the Secretary could place in the contract a provision restricting it. But I say to anyone who understands the English language in its ordinary sense that it looks like an invitation for anyone to engage in soil-maintenance, soil-building, and dairy practices with this diverted land.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. DUFFY. I am glad to yield.

Mr. SHIPSTEAD. I may say, on that point, that a friend of mine who never owned cows or raised corn or wheat or tobacco, himself told me that he took advantage of the soil-conservation program, planted some acres to alfalfa, and got three crops of alfalfa in a season. As a result, he had several thousand dollars' worth of alfalfa hay, and he said, "So I bought some cows to feed my hay to them." He said, "I never had any cows before."

Mr. DUFFY. I think that is just exactly the reaction that would occur unless there were some definite restriction in the bill. That is why I believe the amendment proposed by the Senator from Idaho [Mr. POPE] does not go far enough. It merely gives the Secretary permission to make an investigation, after which he may put something into the contract; and meanwhile a couple of years will have gone by, and there will have been all this Government-subsidized competition against the class of farmers in this country whose products are the most valuable of all.

The Senator from Idaho gave certain statistics. I am sorry I did not have the figures to comment upon, but I do have other interesting figures. He has referred to the increase of production in dairy products. From 1929 to 1935 Wisconsin did increase the production of cheese 13 percent; but the increase in the whole United States during that time was 23 percent. The increase in the so-called cotton States was 80 percent. That is all right. We do not complain if competition results because of favorable climate or because of more favorable circumstances. If people in other parts of the country want to engage in dairying practices, that is all right. They perhaps should have a diversity of crops.

But it is not fair for the present dairy farmer to have the Federal Government pay money to one class of farmers in order to enable them to go into competition and to create, as I feel is certain to happen, a great surplus in dairy products which will come to confound us.

The dairy farmers are perhaps not so highly organized as some others, and they are not so concentrated. They are scattered all over the United States. Yet when they finally realize, if this amendment is not adopted, what we have done, I think they will feel that their representatives in this body were not looking after their interests if they did not insist that there be some provision similar to that which was in the contracts heretofore. If we are going to have a provision here that the contract shall provide that such cooperator shall engage in dairy practices, let us understand what is meant. I had an amendment to strike out those words. I am not presenting it now because of the statement of the Senator from Idaho that it was not intended in the manner in which it reads. I likewise had an amendment prepared, before I knew about the amendment which the Senator from Oregon has offered, at the suggestion of a large group of dairy farmers. I am not going to present that amendment for action, because the Senator's amendment goes further than mine did; but at this time I ask unanimous consent that the amendment which I had prepared be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. DUFFY to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and

for other purposes, viz: On page 82, after line 21, insert the following:

"All adjustment contracts providing for the raising of soil-building and soil-conservation crops on land formerly or ordinarily used in the production of wheat, cotton, field corn, rice, or tobacco shall provide that such acreage shall not be used in the growing or production of agricultural crops for the market."

Mr. REYNOLDS. Mr. President, will the Senator yield to me for a moment?

Mr. DUFFY. I yield.

Mr. REYNOLDS. A moment ago the Senator spoke of the competition which would occur as the result of these diverted acres being used by those who perhaps might go into the dairy business. I should like to ask the Senator if he has checked up to find what amount of competition the great dairy States of the North and Northwest have experienced as the result of imports of dairy products from the Scandinavian countries, Norway, Sweden, and Denmark, as well as the Dominion of Canada.

Mr. DUFFY. I have not time to go into that matter. I have made some investigations of that kind. The Senator from Idaho told us how magnanimous the Federal Government had been with the dairy farmers, and that it put a tariff on butter. There has been no change since 1930. It would be well to remember, however, that in the Canadian agreement the Government also reduced the tariff on cheese from 35 percent to 25 percent ad valorem, and my State is the largest cheese-producing State in the Union. That is one of the benefits we received.

The PRESIDING OFFICER (Mr. MALONEY in the chair). The time of the Senator from Wisconsin [Mr. DUFFY] on the amendment has expired.

Mr. BONE. Mr. President, I have so much admiration for the diligence of the Senator from Kansas [Mr. McGUIRE] and the Senator from Idaho [Mr. POPE] who have been handling this bill on the floor, and so abiding a regard for their intellectual honesty and sincerity of purpose, that it is not pleasant to take issue with them in any particular in their handling of this bill. But I cannot escape the conviction that we are not treating in a very charitable fashion the large segments of our farm life in this country mentioned by the Senator from Oregon, those who are engaged in the livestock and dairying and poultry business, in at least not giving them some measure of additional security sought by the pending amendment.

I listened to the statement of my good friend the Senator from Idaho [Mr. POPE] whom I admire so much. He said that if, under the amendment which he is offering, any untoward thing should occur, the Secretary of Agriculture would make an investigation, and then, to use the Senator's language, "He would do something about it." Well, if that is not the quintessence of all that is vague, I cannot understand the English language. "He would do something about it." In God's name, what would he do?

Mr. President, one cannot tell by reading this amendment what he would do. There is not a man in this body who could tell what he would do. The Senator from Idaho cannot tell us. All of us have a great deal of respect for Mr. Wallace, and believe him to be a man of honor and integrity; but there is not anything in this provision that would lead us to know what he would do.

If he were to invoke the power granted by this measure and do something, there is not a man in this body could tell what he would do. The Senator from Idaho cannot tell us. Although all of us have a great deal of respect for Mr. Wallace and believe him to be a man of honor and integrity, there is not anything in this provision that would lead us to know what he would do.

Mr. President, I shall make use of an expression found in the third chapter of John—I do not know that I can quote it correctly:

The wind bloweth where it listeth and thou hearest the sound thereof but canst not tell whence it cometh and whither it goeth.

That sounds like the power we give the Secretary in this very vague language.

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Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. BONE. I yield.

Mr. WHEELER. Can the Senator from Washington or the Senator from Idaho tell me whether or not the Secretary of Agriculture is in favor of this bill? I have been trying to find out whether he is or not. I have read statements in the newspapers indicating that the Secretary of Agriculture was opposed to the bill. Then I have read other statements indicating that the Secretary of Agriculture was in favor of it. I should like to have the Senator from Idaho tell me and tell some of the rest of us whether the Secretary is or is not in favor of this particular bill.

Mr. POPE. Mr. President, will the Senator yield?

Mr. BONE. I should like to get a "yes" or "no" answer from the Senator from Idaho, because I have only a little time. I am not going to occupy the full 15 minutes, but if the Senator from Montana wishes to ask questions, he ought to have the floor.

Mr. WHEELER. Can the Senator tell me?

Mr. BONE. I doubt if the Senator from Idaho knows.

Mr. WHEELER. I doubt if anyone else knows after reading the newspapers.

Mr. POPE. The Secretary says in two different places in the letter which he wrote me concerning the bill about a week ago that he was in favor, as he put it, of the principles back of this legislation. He makes certain suggestions as to amending the bill and changing it; and in this morning's newspapers there appear statements indicating that he is opposed to certain price-fixing features of the bill.

Mr. WHEELER. Mr. President, I do not know any more about the matter now than I did before.

Mr. BONE. I imagine we shall not know any more about it when we get through. We have been debating the bill for 3 weeks, and I think we are all very much at sea as to what a number of administration officials think about the bill.

But let us examine for a moment the language of the amendment of the Senator from Idaho [Mr. POPE], which, I assume, has been drawn for him by the Department of Agriculture. It does not mention poultry, but merely livestock; and, of course, the poultry business is a sizable business of itself, and obviously the dairy business is of such magnitude as certainly to challenge our attention.

We certainly cannot do anything here to injure it. So if we adopt the amendment of the Senator from Idaho, we are going to leave the poultry business out in the cold; and, as has been so forcefully brought out here, this bill is to assist the producers of five major crops. The Senator from Oregon [Mr. McNARY] and the Senator from Wisconsin [Mr. DUFFY] have mentioned certain aspects of this problem which I am not going to touch on now, because of the limit of time; but I want to say to my southern brethren here that I should think the modesty which is so much a part of their make-up, so characteristic of them, would compel them not to object to the adoption of the amendment of the Senator from Oregon, for certainly in the 3 weeks we have been discussing this bill all we have heard is cotton, cotton, cotton; and yet cotton is not nearly so important a crop in this country as is the dairy business from the standpoint of dollars and cents, and I should think our southern brethren would not object to the adoption of this kind of an amendment.

Again, just one final aspect of this matter.

Mr. SMITH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from South Carolina?

Mr. BONE. I do.

Mr. SMITH. I do not think the Senator is fair. I have not said very much on this bill, and I think corn and wheat have occupied the major part of this discussion.

Mr. BANKHEAD. Three-fourths of it.

Mr. BONE. I accept the amendment then; but at the times I have been here listening to the debate it has been mostly revolving around cotton.

That, however, is beside the point. The able Senator from Idaho [Mr. POPE] said to us that during the period covered by the figures he had no harm resulted, because there was not the increase in production of dairy products that is sought to be gotten at by the amendment of the Senator from Oregon. If that is true, if that is the inexorable logic of this whole picture, certainly there can be no harm in adopting this amendment. It is true that it is an arbitrary amendment, but we are dealing in arbitraries in this bill. Running all through this bill is a series of arbitraries.

Let me say to the Senator from South Carolina that I am not objecting to the cotton folks being protected. I am merely saying that those of us who are speaking for these major operations that are reflected so much out in my section of the country have occupied only a few minutes here today. I should think the impulses of generosity which are characteristic of the South would move them not to object to this amendment, especially in the light of the statements of the Senator from Idaho [Mr. POPE] that even the adoption of this amendment would not change the natural operation of this whole picture. If you are not going to create any more dairy products down there, certainly the fact that we are laying down a positive rule here, and establishing a policy by law, cannot change the picture.

Mr. DUFFY and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Washington yield; and if so, to whom?

Mr. BONE. I yield to the Senator from Wisconsin.

Mr. DUFFY. Mr. President, might it not be an added reason why the committee should agree to the amendment that this very amendment, in this exact wording, has twice come before the House of Representatives in their farm bill, and both times they have accepted it? Now, those in charge of the Senate bill propose some other kind of an amendment, whereas this amendment has already passed the House and is satisfactory to them. That being so, it would seem to be logical to adopt the same amendment here.

Mr. BONE. That is true. The point which I think we ought to keep emphasizing in our minds is, taking the statement of the Senator from Idaho [Mr. POPE] himself that no harm has resulted from it, that certainly no harm can result from the adoption of the positive policy that is established in the amendment.

Mr. POPE. Mr. President, will the Senator yield?

Mr. BONE. I am going to yield the floor in a moment.

Mr. POPE. I desire to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Idaho?

Mr. BONE. Yes; I shall be glad to answer the question.

Mr. POPE. I have such great confidence in the Senator's ability and integrity that I desire to ask him this question:

Under the definition contained in the McNary amendment, if a farmer who has 1 cow and 12 chickens and a small acreage supporting a family were to permit his cow or his chickens to get over onto the diverted acres and consume any amount of the soil-conserving growth on those acres, and were to sell the eggs, or the butter, the product of the cow, would it not be the duty of the Secretary to deny him soil-conservation payments?

Mr. BONE. I do not think the Secretary of the Department of Agriculture is going to concern himself with the operation of some little, individual, dinky farmer. Certainly we must use a little horse sense in approaching this thing. We are not going to pick out some poor little farmer on a scrubby tract of 5 acres somewhere and make a national example of him in a great farm program.

Mr. POPE. In view of the fact that out of the 7,000,000 farmers in this country there are about six and a half million of the sort I have indicated, will the Senator now answer my question as to whether, under this amendment, the law would not apply to those six and a half or six and three-quarter million little one-horse farmers who do live in just that way? Would it not apply to them?

Mr. BONE. I do not agree with the Senator that it would; but, even if it did, the Senator has told us that without any

law at all, nothing happened. If nothing happened without any statutory enactment, are we not legitimately entitled to assume that even if we had it we should have the same thing existing? Then why object to it? If, under the operation of this thing, nothing happened of the kind the Senator is discussing, why conjure up this ghost here?

Mr. POPE. But you are subjecting those six and a half million people to that policing, that supervision, that requirement that if a man sells a dozen eggs or a quart of milk that was produced in the way I have stated, he would lose his conservation payments.

Mr. EONE. No; I do not think so. Besides, it did not occur before when these contracts were in force. There is no evidence before the Senate that it did occur.

Mr. POPE. We had no such amendment as this to contend with in the administration of the law.

Mr. BONE. As the Senator from Wisconsin [Mr. DUFFY] pointed out, in the House this matter has had the sanction of the committee over there, and there is no reason why we should repel this thing now. This is not a matter of life and death. It is not going to hurt the bill.

Mr. BANKHEAD. Mr. President, I submit to the Senator that the matter did not have the sanction of the committee in the House but the amendment was adopted on the floor.

Mr. BONE. All right; that is all the more reason why we should give it some consideration. It was adopted on the floor by the House of Representatives. My impression was that it had been adopted by the committee.

Mr. BANKHEAD. There has been no proper consideration of it.

Mr. COPELAND. Mr. President, when we talk about the dairy industry we include the production of milk, of cream, of cheese, of butter, of ice cream, and of several other minor articles.

In many respects, so far as I am concerned, I am satisfied with the dairy provisions of the bill as it is now formulated. I do not think I am speaking selfishly for my own State alone in what I am about to say.

Almost every Senator is interested in this feature of the bill. The first interest naturally would go to the Senators from Wisconsin. In Wisconsin they have a production of 11,598,000,000 pounds of milk. The next State involved is the State of Minnesota, with 7,745,000,000 pounds. Then comes the State of New York, with 7,188,000,000 pounds.

With us in New York, the matter of butter and cheese production is not a matter of great concern. We have an average production of butter of about 11,000,000 pounds, while States like Ohio and Indiana and Illinois and Michigan have 10 times as much annual production. The State of Wisconsin leads in butter production, as it does in general milk production. Then Minnesota has a tremendous production of butter; likewise, Iowa and all the North Central States.

Cheese has a production in New York of only 28,000,000 pounds, while the production of Wisconsin is 237,000,000 pounds. The production of the other States is in about the same proportion as in the case of butter.

In New York State we use only surplus milk for making butter and cheese. It is impossible to make the dairy production uniform week by week and month by month. In the summer, when the meadows are lush and the production of milk is great, then it is that butter and cheese are made as byproducts. But the production of fluid milk and of cream is a matter of great concern to my State.

We have had a great battle in New York, much legislation, and many efforts made to increase the price of milk at the farm. When I tell you that there are 75,000 dairy farms in New York State you will have some comprehension of the magnitude of the problem.

I contend that it is not fair that we should by legislation give special favor to the cotton, tobacco, rice, corn, and wheat farmers without at least giving protection to the dairy farmer. Under no circumstances whatever can the dairy farmer profit by this bill. There is not a single provision in it which will give him any benefit. On the contrary, but for my amendments and those of the Senator from Vermont [Mr. AUSTIN]

adopted yesterday, he would have been required to buy high-priced corn in place of the corn which he has usually raised upon his farm for feeding his cattle. That matter now has been taken care of in a fairly satisfactory manner, but here it is proposed to take forty or fifty or sixty million acres of land out of the usual production and possibly devote that area to dairy production.

Mr. President, it is not fair to give benefits to those four or five one-crop farmers if with those benefits goes positive detriment to another farmer—the dairy farmer. I heard the Senator from Indiana [Mr. MINTON] ask the Senator from Wisconsin [Mr. DUFFY] a little while ago if it was not rather far-fetched to suggest that the diverted acreage would be used for dairy purposes. If he had asked me that question I should have replied that I have been told by Senators that it is the intention to make use of those diverted acres for dairy production.

The Senator from Idaho [Mr. POPE] has said that under past laws there has been no marked increase in dairy production. If that is the case, I do not see why he should resist the amendment offered by the Senator from Oregon. But whether those acres are actually used for the development of dairy herds, there is in the matter the threat of further reduction in the prices the dairy farmer in New York or elsewhere will receive for his product.

Mr. President, I believe there is a desire to be just and fair, but I believe the Senate would not be just and fair if it should pass this bill without including in it a simple provision which seeks to protect the dairy farmer. Even though there is no more in it than a psychological effect it is well worth while.

I have said for weeks that the great trouble with our country today is fear—fear on the part of the business world, fear on the part of industry—and now if we are going to bring fear to the hearts of 75,000 dairy farmers in New York, to say nothing of the hundreds of thousands of dairy farmers in other parts of the country, we will have contributed merely that much to the psychology of fear throughout the country.

Now I want to speak for a moment directly to my friends on this side of the aisle. I have no question that so far as the Republicans are concerned almost all of them will vote for the amendment of the Senator from Oregon.

Sometimes it is difficult for us to carry the party banner. What can be said to the dairy farmers of New York, New Jersey, Connecticut, Vermont, New Hampshire, and Massachusetts, to the dairy farmers of Pennsylvania, Ohio, Michigan, Wisconsin, and the North Central States? What can be said to them? Must we say that the Congress of the United States is willing to pass a bill to give protection to the one-crop farmer but does not have it in its heart to give protection to the dairy farmers and those who live on the one-family farm?

Mr. President, I appeal, if I may properly, to my colleagues on this side of the aisle. I hope they will help us so that we may say that every effort was made in seeking to advance the cause of those farmers who raise cotton, corn, wheat, tobacco, and rice, that there was indeed no desire to harm the dairy industry. I beg of my colleagues on this side of the Chamber that they will give consideration to our great dairy interests and not think alone of those interests which are nearer home.

Mr. REYNOLDS and Mr. AUSTIN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina rose first and is recognized.

Mr. REYNOLDS. Mr. President, if my friend the Senator from Vermont is desirous of speaking now for the purpose of fulfilling an engagement elsewhere, I shall be very happy indeed to favor him by yielding to him and to speak after he shall have finished.

Mr. AUSTIN. Mr. President, I think the Senator from North Carolina. I expect to be here the rest of the afternoon and could not accept his offer, although I appreciate it.

Mr. REYNOLDS. Very well, Mr. President, I shall proceed. I sat here and listened with great interest to every word that was spoken by the able Senator from the great

Empire State of New York [Mr. COPELAND] because, first, I find him always an interesting and informative speaker. I listened to him, secondly, with unusual interest because the matter of which he spoke is one of great moment and of especial interest not only to my State of North Carolina, which I endeavor in my humble way to represent here in part, but the subject of which he spoke is truly of vital interest to all the States of the Union.

I recognize that in a sense, if my friend will permit me to say it, he had a bit of selfish motive which I likewise would have had if I were representing the State of New York. I recognize that my able friend the Senator from Wisconsin [Mr. DUFFY] must of necessity experience a selfish motive in speaking for the adoption of the amendment introduced by the leader of the minority, the Senator from Oregon [Mr. McNARY], because the States of New York, Minnesota, and Wisconsin are those States which participate more largely than the other States of the Union in the largest agricultural industry in America, an industry which exceeds in value in annual earnings the industry of producing tobacco, rice, cotton, wheat, and corn. Therefore, I am confident that those Senators who have spoken so ably and so honestly, as I know they are, will not deny that after all they are speaking here primarily in the interest of those industries which dominate agriculture in their respective States of Wisconsin, Minnesota, and New York.

It may be as truly and as well said that I rise at this hour with a selfish motive—I admit it in all candor—selfishly interested likewise in my section of the United States. I regret exceedingly in this country today and in the light of the twentieth century that we are still fighting and maintaining sectionalism. One who occupies a seat in the gallery here today and who listens to the debate on the floor of the Senate this afternoon could not help having heard and having observed that there is actually today a fight going on between the North and the South.

If the amendment is accepted, I say to the gentlemen of the Senate unhesitatingly that it will be manifestly unfair to the people of the South. Let us see something about it.

Mr. BRIDGES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from New Hampshire?

Mr. REYNOLDS. I am glad to yield.

Mr. BRIDGES. Am I to understand the distinguished Senator from North Carolina to say that the adoption of the amendment would be unfair to the people of the South?

Mr. REYNOLDS. Yes; I made that statement.

Mr. BRIDGES. If the bill is designed to help certain groups of farmers, and other classes of farmers who reside in other sections are entirely excluded from the benefits of the bill, and an amendment is offered merely to render them some protection, does he think that is selfish and unfair?

Mr. REYNOLDS. I think it is manifestly unfair to the South and will be unfair if the amendment should be adopted, for the very reason that we are asked to take out of production some 50,000,000 or 60,000,000 acres of land. A part and portion of that 50,000,000 or 60,000,000 acres of land which is to be taken out of production is to be found in the South. It is true that, under the provisions of the bill, cotton, wheat, tobacco, and rice are supposed to profit.

Mr. BONE. Mr. President, will the Senator yield?

Mr. REYNOLDS. I am glad to yield to my friend from Washington.

Mr. BONE. The Senator from North Carolina is well aware, I take it, that the State of Washington is the largest wheat-producing State in the United States?

Mr. REYNOLDS. Yes; I admit that. I knew that.

Mr. BONE. I am wondering if the Senator's theory that this would be some sort of an assault upon certain aspects of the economic life of the South, would not also apply to my own State, which is one of the big wheat-producing sections of the country, and I am seeking to apply the same formula to my own State.

Mr. REYNOLDS. I hardly think it would apply as much to Washington as to North Carolina. North Carolina is

eventually going to become one of the great dairy-producing States of America. It is going to become one of the great dairy-producing States of America eventually because North Carolina is the possessor of a climate such as no other State in the Union possesses.

Mr. President, while our tobacco and cotton crops are being mandatorially controlled and reduced, the farmer of North Carolina and the South naturally will be desirous of making utilization of that diverted acreage. He will probably want to put to use that diverted acreage in many instances by employing it in the business of the dairy.

Under the amendment, as I understand it, if a small farmer anywhere, and not necessarily a small farmer of the South, should produce for sale a pound of butter, or a pound of cheese, a fruit jar of buttermilk, a can of cream, or a quart of milk, that small farmer would not be provided with the opportunity of profiting by the terms of the bill if the land so utilized had theretofore been cultivated in tobacco or cotton.

Mr. President, if that old hen of which the Senator from Idaho [Mr. POPE] spoke a moment ago should follow a rooster over to some converted land, and she should later become the mother of an egg [laughter], that egg could not be sold without the hen's owner being penalized by losing the intended benefits of the law. Am I right or am I right? [Laughter.]

Mr. BONE. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. BONE. I think the answer to the Senator from North Carolina can be found in the language of the now popular song, "Stop, You're Breaking My Heart." [Laughter.]

Mr. REYNOLDS. Mr. President, I am not surprised. My good friend from the State of Washington, who comes from the land of flowers, has within his heart the same sentiments possessed by the people of North Carolina, and when I began to talk of that good old cow with the kind face—

Mr. BONE. Motherly face.

Mr. REYNOLDS. I was sure he would appreciate the remarks I was making. I heard my distinguished colleague, the Senator from Idaho [Mr. POPE], and others talking a moment ago about the old cow. It reminds me of that old piece of poetry I learned when I was in school:

Hi diddle, diddle, the cat and the fiddle,
The cow jumped over the moon,
The little dog laughed to see such sport,
And the dish ran away with the spoon.

[Laughter.]

Mr. President, why should the people of the South be penalized by the acceptance of the amendment which has been proposed today by the Senator from the State of Oregon?

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. BRIDGES. I should like to have the Senator from North Carolina explain just how the people of the South would be penalized by the adoption of the amendment.

Mr. REYNOLDS. I shall be glad to do that. North Carolina possesses the climate suitable to the dairy industry. We have the grazing plains and hills. We have only recently interested ourselves very seriously in the establishment of dairies. As I stated a moment ago, I believe that in the not distant future North Carolina will be one of the chief producers of dairy products of the country, which will be attributable to the fact that in the South our milk cows can graze 12 months out of the year. In Minnesota, Wisconsin, and western New York the dairy producers are required to have stables and to feed their dairy cattle roughage about 4 months out of the year.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. DUFFY. As I understand the argument of the Senator, it is that he is in favor of cutting the production of tobacco, but he is in favor of increasing the production of dairy products. Is that the idea?

Mr. REYNOLDS. I favor the increase of the production of dairy products in North Carolina because I very readily recognize that within a few years my State will most cer-

tainly have to cease the production of cotton. We will have to quit raising cotton because there will arrive a time when North Carolina cannot produce cotton in competition with other States of the Union, and particularly will it be impossible for us to produce cotton in competition with Russia, China, Egypt, India, and Brazil.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. SMATHERS. If the acreage taken out of production in cotton and tobacco is put under dairy production, how will the State of North Carolina benefit at all by the pending measure, because in taking the acreage out of tobacco and cotton production and putting it into dairy products, the price to the owner of the dairy products will thereby be destroyed, will it not?

Mr. REYNOLDS. I appreciate the Senator's contribution.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. REYNOLDS. Mr. President, I understand that I have already utilized my time on the bill, and if the Senate will bear with me just a moment, I should like to be permitted the opportunity to send to the desk several telegrams, and a couple of editorials from the Raleigh News and Observer, published in Raleigh, N. C., in reference to this identical amendment, and ask that they be published as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

ROANOKE RAPIDS, N. C., December 13, 1937.

ROBERT R. REYNOLDS,

United States Senator:

Hope you will oppose amendment of BOILEAU, of Wisconsin, denying southern farmers dairy-farming benefits.

CARROLL WILSON.

RALEIGH, N. C., December 14, 1937.

Senator ROBERT R. REYNOLDS,

Care of Corona, United States Senate, Washington, D. C.:

COWS IN THE SOUTH

Protesting against the House farm bill, Representative KNUTSON, Republican, of Minnesota, declared that its enactment would "destroy the dairy industry in all Northern States." He added:

"Minnesota, Wisconsin, and other dairying States cannot possibly compete with the South in butter production because of the climatic and labor advantages enjoyed by the South. If the domestic butter supply from the South were suddenly increased 88 percent it would absolutely destroy the industry in the North, because it would force the prices down to such ruinous levels that the northern dairymen could not possibly meet it."

Such a statement is interesting in more ways than one. It needs consideration, as it concerns other problems than the pending farm bill.

The dairy States have not hesitated to use the power of Federal legislation to protect the dairy industry at the expense of the South. The Federal tax on the retailers of oleomargarine made from cottonseed oil has been in effect an internal tariff for the benefit of the northern dairy industry. But alas for consistency and justice. In recent years southern cottonseed-oil interests have undertaken to use the same sort of weapons against the Philippine producers of other vegetable fats and oils. Indeed, one of the ugliest examples of the modern scrapping of noblesse oblige has been the granting of independence to the Filipinos in such a manner as to destroy Philippine trade while creating Philippine independence.

Undoubtedly, however, the South has advantages in dairy and other types of agriculture which provide escape from single-crop and cash-crop advertising, which in the long run may mean more to the welfare of the South than even high cotton and tobacco prices. Mr. KNUTSON is no friend of the South. But he points a southern advantage which the South has neglected and neglected too long. Cattle which must be stabled and fed for 4 months and more in Wisconsin can be left to feed in pasture for almost the whole year in North Carolina.

A dairy development in North Carolina would be more valuable even than an industrial development. Nothing—not even southern slowness and southern adherence to old custom—should be allowed forever to keep the cows out of the South. They are needed even more than the shirt factories are.

NEWS AND OBSERVER.

ROANOKE RAPIDS, N. C., December 13, 1937.

Senator ROBERT R. REYNOLDS:

Farm bill as passed by House detrimental to southern dairy expansion. Trust you will see fit to correct this injustice in the Senate. Refer to editorial in today's News and Observer.

J. WINFIELD CREW, Jr.

FAYETTEVILLE, N. C., December 13, 1937.

Hon. ROBERT R. REYNOLDS,

Senate Office Building:

Having been in dairy business 10 years, bitterly opposed Boileau amendment. Urge your best efforts to defeat this amendment. Always complied all programs, but can't see how southern farmers can comply under Boileau amendment.

T. J. HARRIS.

ROANOKE RAPIDS, N. C., December 13, 1937.

Hon. ROBERT R. REYNOLDS,

Senate Chamber:

Crop-control bill as passed by House inimical to dairy industry here, as it strikes out provision aiding farmers for land growing crops fed to dairy cattle. Please see that this provision is taken care of in the Senate.

T. W. LONG.

[From the Raleigh (N. C.) News and Observer]

SECTIONALISM AGAIN

The South is often accused of sectional sentiments, but if it sins in that respect, it stands not alone. Representative BOILEAU, of Wisconsin, has obtained acceptance by the House of his measure denying soil-conservation benefits to producers who go into dairy farming on acreage withdrawn from soil-depleting crops, although, as everyone knows, dairy farming probably aids in the care and cure of the soil more than any other kind of agriculture.

The ground of BOILEAU's plea was that these benefits, by fostering the growing of cattle-feed crops in the South, would destroy the dairy industry in his section.

At BOILEAU's instance, then, the House has planted a bar across the path by which southern agriculture might be able to escape from its self-locking cash-crop system. The Southeastern States, in particular, have many areas well suited to dairy farming, to the growth of pastures and feed crops, and to the erection of small plants devoted to the manufacture of milk products. To this BOILEAU and the House say "no."

All this is an old story. But would not the rest of the country be materially benefited if the South were allowed to escape once in a while from its role as poor relation? Sectionalism is at all times bad, but never more so than when it is revealed in the act of trying to hold its own high place on the ladder by kicking everybody else off.

Mr. AUSTIN. Mr. President, I desire to support the amendment of the Senator from Oregon in some very brief remarks.

Let me say, in passing, that there never was, in my belief, a greater unity of spirit and of patriotism between the North and the South than there is today. It has been demonstrated upon many occasions right in this Chamber. Personally, coming from the far North, I have enjoyed their evident mutuality and confidence. I say to my distinguished and kindly friend from North Carolina that the people of the North are very proud of the South. They glory in her distinguished men and women, the culture, the learning, the courtesy, the hospitality of the South, which are proverbial and historical. They go to the South because they choose to associate with such people, and because they love the South, and regard the prosperity and interest of the South as vital to their own happiness and prosperity.

It seems perhaps an inadvertence that the Senator from North Carolina should have used this sort of an argument upon this amendment. Certainly, southern people do not want both parity payments—that is, the adjustment contract payments which are allowed to them under a beneficent Federal Government for diverting their acres—and also to profit out of the use of those diverted acres at the expense of the people of the North. That is not characteristic of the South.

When it comes to the effect of the pending measure upon the dairy industry of this country I pointed out the other day, before a vote was taken, that there is nothing but death in this bill for those engaged in the dairy industry. They are cut off from parity payments under the measure. If they sign one of the adjustment contracts, they cannot have parity payments because what they sell is not corn but milk. If they fail to sign the contracts, they cannot continue to receive their payments under the Soil Erosion Act. An amendment offered relating to payments exclusively was voted down by the Senate on Tuesday by a vote of 46 to 30. The amendment of the Senator from Oregon relates to another matter entirely; that is, the matter of diverted acres. The Senate has already said what it meant with respect to the dairy industry concerning payments. They have said

clearly to the dairy people of this country, "We intend that hereafter, if this measure shall become a law, you shall forego any more benefits under contracts you now hold with respect to the Soil Erosion Act, and you cannot receive any parity payments, or what are called in this bill adjustment payments, because the products you sell, namely, milk and other dairy products, have no parity payments connected with them at all. You do not sell the corn yourself; you feed it, and therefore, since the corn sale is the only one on which adjustment payments are made, you are out in the cold anyhow."

What we are now asking is another thing, and it is not much to ask. The amendment relates only to diverted acres; it does not relate to payments. You cut us out of payments. We cannot further enjoy our payments under the Soil Erosion Act or under the proposed law. Now, when we come forward and ask only that diverted acres normally used for corn and other crops named shall not be put into competition with the dairy interests of the country, there is no occasion to raise a banner of sectionalism and undertake to defeat such a reasonable request as that.

Mr. President, all this amounts to is a provision in the law itself, instead of the granting of a huge power to the Secretary of Agriculture to grant this right—it is not a favor we are asking—to respect this right which we claim. We are now asking that a law be enacted that shall respect this right, and, as I have tried to restate it, it is this, and this only, diverted cornland cannot be utilized for dairy purposes if the dairy products thereof are sold, because if such dairy products are sold, the corn or wheat fed is not consumed on the farm but is for market. The amendment prohibits such use of diverted acres by the condition on which payment shall be provided for, namely, so that the utilization of the land shall be for the purpose of consumption on the farm and not for market.

Mr. President, this is a reasonable request, and I suggest that the Senate bear in mind the kind of competition the dairy farmer is up against. There is, of course, a keen competition among those who are engaged in the business here in the United States. It is so keen that it has been necessary to appeal to the Federal Government for sanctions, for marketing agreements voluntarily to be entered into between producers of dairy products, but it is also up against a competition that is growing all the time under the Federal trade agreements.

I place in the RECORD now very significant evidence of that type of competition which we are confronting. Here is something which the Honorable CHARLES A. PLUMLEY, Representative from Vermont, spoke of in the other branch of the Congress on December 10 last, and I refer to it because it applies to this situation.

I refer to it because it applies to this situation now. His facts, he said, were taken from a bulletin entitled "Forage Crops and Markets," issued weekly by the Bureau of Agricultural Economics of the United States Department of Agriculture, which also shows the facts to be that the competitive imports exceeded the agricultural exports, the value of American farm exports declining by 4 percent, and the value of imports of commodities similar to or substituted for those produced on American farms rose by 35 percent over the fiscal year of 1935-36.

Here are the items:

420,000 head of live cattle.
150,000,000 pounds of meats, which included 62,000,000 pounds of pork and 85,000,000 pounds of beef.
15,000,000 pounds of butter.
66,000,000 pounds of cheese.
10,500,000 pounds of dried and frozen eggs.
181,000,000 pounds of wool.
17,000,000 pounds of barley.
78,000,000 bushels of corn.
48,000,000 bushels of wheat (12,000,000 milled in bond for export).
190,858,000 pounds of rice and rice products.
73,822,000 pounds of tobacco, unmanufactured.
434,000,000 pounds of barley malt.
312,000,000 gallons of molasses, used in manufacture of alcohol.
19,000,000 gallons edible molasses.
6,600,000,000 pounds of sugar (3,300,000 short tons).
14,000,000 pounds of potato starch.

319,000,000 pounds of coconut oil (used in manufacturing butter substitutes).

519,634,000 pounds of copra (from which coconut oil is extracted).

360,000,000 pounds of palm oil (used in manufacture of soap).

64,000,000 pounds of palm nuts and palm nut kernels.

201,000,000 pounds of cottonseed oil (butter and lard substitutes).

147,000,000 pounds of tung oil (used in the manufacture of paints).

119,000,000 pounds of soybeans and soybean oil.

45,000,000 pounds of peanut oil.

48,000,000 pounds of forage-crop seeds.

41,000,000 pounds of garden and field seeds.

551,000,000 pounds of vegetables of the common garden variety, including 59,000,000 pounds of dried beans, the latter accounting in large degree for the present low price of American beans.

Mr. President, this is a list of agricultural commodities that are competitive with our own agricultural commodities. The list is presented for the purpose of increasing the evidence of the need which we have already had here of just protecting the producers of dairy products to a reasonable degree. That is all we ask. Leave us out of the destructive competition. The bill deprives us of any benefits.

Mr. LA FOLLETTE. Mr. President, I wish to address myself for a few moments to the substitute offered by the Senator from Oregon. Mr. President, I think the record which I have made in the Senate upon agricultural measures will be searched in vain to indicate any sectional approach to these problems. I have proceeded upon the theory that this country is interdependent and that one section was dependent upon another. I have been convinced that we could not expect any measure of prosperity in the United States unless it was shared by all sections of this country.

I supported the Agricultural Adjustment Act. I supported the Bankhead Cotton Act. I supported all the measures which we have passed in the Senate in an effort to improve the economic status of the farmers of this country. Therefore I hope that Senators will hear me without any feeling that I am speaking from a sectional point of view.

Mr. President, I think there might be great force in the argument presented by the junior Senator from Idaho [Mr. POPE] against this amendment were it not for the fact, as I tried to point out in a colloquy which I had with him earlier in the afternoon, that the policy embodied in this substitute was a part of the policy under the Agricultural Adjustment Act and under the Bankhead Cotton Act. The contracts which were presented to farmers under those two measures provided that they should not use the diverted acreage to produce other nationally produced agricultural commodities for market.

Mr. President, this measure is designed to help products produced in this country of which we have a surplus. And to that end an effort is made to curtail the production of those agricultural commodities of which we have a surplus. Therefore, it seems to me very logical that an effort should be made in carrying out that program to be certain we do not as a result of attempting to curtail production with regard to other commodities ultimately produce a surplus in agricultural commodities of which we do not now have an exportable surplus. And therefore I do not believe that this amendment should be regarded as a sectional amendment. As a matter of fact, Mr. President, if we accepted the arguments of the Senator from Idaho at their face value, it is perfectly obvious that this amendment is not sectional in character, for the whole burden of his argument is that the diversion of acreage and the reduction of the production of basic commodities under past programs have not resulted in increased competition in other commodities. Therefore, if we accept for the sake of the argument his contentions, all that this amendment seeks to do is to offer an assurance that in accepting this permanent program there shall not be any possibility in the future of producing an exportable surplus in agricultural commodities now produced which do not now suffer by reason of an exportable surplus.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. And it seems to me we are driven to the irresistible conclusion that if this amendment is to be opposed and defeated there is an intention somewhere to use these diverted acres for the precise purpose which the Senator describes.

Mr. LA FOLLETTE. Of course, Mr. President, we have a good many conflicting arguments presented by the proponents of this measure. And if we were to leave for a moment the arguments of the Senator from Idaho [Mr. POPE] and listen to the arguments just uttered by the junior Senator from North Carolina [Mr. REYNOLDS], we would then be confronted with a frank and avowed statement that it is the hope, nay, it is the confident conviction of the junior Senator from North Carolina, that North Carolina will soon be one of the leading dairy States of the Union.

Mr. President, I would be the last one to urge the adoption of any policy by the Federal Government which would retard a normal or natural development so far as the agriculture of any section of the country is concerned. But since this program is to be financed by money taken from the Treasury of the United States, since it is the farmers who cooperate who receive benefits, then it does seem to me that we are not taking a sectional position, that we are not asking anything unreasonable, when we request that in the use of that money and in the payment of those benefits that we shall not create another and an equally if not more serious problem so far as the other agricultural commodities not covered by this measure are concerned.

In passing, Mr. President, I may point out that the dairy industry in this country produces 25 percent on the average of the total gross income of the agriculture of the United States. And therefore I think we can say from a standpoint of national policy that we would be creating an even more serious problem than the one with which we are now confronted were we, as the result of the enactment of this permanent legislation, ultimately to produce a situation where the dairy industry, producing such a large amount of income for the farmers of America, were to be confronted with an exportable surplus and thus find itself in the same plight as the farmers producing the crops which this measure is designed to save and to help.

It certainly cannot be said that in support of this amendment I am approaching this problem from any sectional standpoint, nor do I think it can be said that I am supporting it in any other than a sincere way, for I think that the votes which I have cast upon the amendments which have been tendered to this bill will indicate that I have endeavored to the best of my humble ability to take a constructive attitude rather than a destructive attitude toward the measure now under consideration.

So, in conclusion, and in view of the lateness of the hour, I want to appeal to the Senators from every State not to regard this as a sectional matter, not to think of it solely from the point of view of any particular industry, but from the point of view of a sound policy, namely, that in endeavoring to cope with and to control the exportable surpluses which have been ruining the prices of the farmers producing those commodities, we shall not produce exportable surpluses among other commodities and thereby multiply instead of minimize the problems confronting the farmer in the United States.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. O'MAHONEY. I think that every Senator who has listened to the argument of the Senator from Wisconsin this afternoon will readily agree that he approaches these problems without regard to sectional bias or any other bias. I cannot avoid the conclusion that the objective for which he is arguing and the objective for which the Senator from Oregon proposes his amendment is a good objective. It is one which I completely share. It is perfectly absurd to put into effect a curtailment program with respect to certain commodities if thereby we divert acreage which shall be used, as the Senator has just so well said, for the pro-

duction of a surplus in other commodities which share no benefit under this act.

That difficulty has been recognized by Senators who would like to support this bill. I have recognized the difficulty and with the Senator from Idaho have sought to work out an amendment which would reach the objective which the Senator from Wisconsin has in mind, and which the Senator from Oregon has in mind. I frankly and sincerely felt and feel now that the amendment of the Senator from Oregon will not be effective, because in its very language it imposes upon the Secretary of Agriculture and upon the General Accounting Office a perfectly impossible burden of regimentation.

Let me just read the first two or three lines of this amendment.

Payment with respect to any farm land—

Omitting some language—

shall be further conditioned upon the utilization of the lands—

And so forth. In other words it will become necessary under that language for the Secretary and for the General Accounting Office to scrutinize every payment and to make certain that every cooperator or every beneficiary has carried out the conditions.

In order to accomplish the purpose which I think we all have in mind I have been in consultation with the Senator from Idaho and with the legislative drafting service, and I have prepared another amendment which I should like to read to the Senator from Wisconsin in order to learn whether it would be satisfactory to him, because I am frankly trying to reach a meeting of the minds upon this problem.

On page 82, after line 25, I propose to insert the following new section, section 66:

SEC. 66. Each adjustment contract or other offer entered into or made pursuant to this act or the Soil Conservation and Domestic Allotment Act shall provide that the cooperator or other person to whom such contract or offer applies shall undertake not to use acreage diverted under either of such acts for the production for market of livestock or poultry or the products thereof; and in the event that a marketing quota is established for any commodity under this act no acreage diverted from the production of such commodity pursuant to such quota shall be used for the production for market of livestock or poultry or the products thereof.

I may say now to the Senator that as I conceive the two amendments, this goes a step further than what we call the McNary amendment, because it makes provision for acreage that may be diverted if a marketing quota goes into effect. It avoids the requirement upon the Secretary and upon the General Accounting Office to make individual scrutiny of every individual payment.

Mr. LA FOLLETTE. As I understood the amendment, it seems to me it is in keeping with the same policy which was adopted and which I think I mentioned in my statement with regard to the provisions contained in the agricultural adjustment contracts and in the contracts which were entered into between the Government and the farmers under the Bankhead Cotton Act. As I heard the Senator's reading of it, it would seem to me that it would be wholly effective in meeting the situation.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Wyoming yield to the Senator from Idaho?

Mr. O'MAHONEY. I yield.

Mr. BORAH. May I ask the Senator from Wyoming to restate the matter insofar as it covers contracts or the adjustments?

Mr. O'MAHONEY. "Each adjustment contract or other offer entered into or made"—and I think I have in mind the question the Senator has in mind. The word "offer" and the word "may" are used for the purpose of covering all cases outside of an actual adjustment contract where benefit payments are made.

Mr. BORAH. That is the construction placed upon it by its author?

Mr. O'MAHONEY. It is.

Mr. BORAH. And by those who have agreed with the author?

Mr. O'MAHONEY. Exactly.

Mr. BORAH. That it covers all those adjustments?

Mr. O'MAHONEY. It covers all the adjustments and all the commodities.

Mr. POPE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. POPE. I think I can agree to the amendment read by the Senator from Wyoming. The Senator pointed out to begin with that the thing which has been so serious in connection with the amendment of the Senator from Oregon is that the General Accounting Office must be convinced that every farmer has not violated this provision of the act in order to be entitled to payment of his soil-conservation payments. I can see that proof of that might be difficult to the Department, and therefore it would necessitate a degree of policing of the individual and a degree of regimentation to which I have objected so seriously. This would remove that element from the picture.

I am just as anxious as is the Senator from Oregon to protect the dairy interests, but in so doing I do not want every farmer in the entire United States who owns a cow to be subject to the regimentation and policing which is implied in his substitute. Therefore I would be inclined to believe that this would cure that perfectly vicious provision of the substitute of the Senator from Oregon which would provide policing and regimentation.

Mr. McNARY. Mr. President, it is perfectly obvious that the language the Senator from Wyoming has employed does not reach the point which I so much desire—to cover all contracts and all adjustments that may be made.

Mr. O'MAHONEY. How can the Senator say that, when the language of the amendment expressly begins "each adjustment contract or other offer"?

Mr. McNARY. Adjustment contracts are limited to corn or wheat.

Mr. O'MAHONEY. "Or other offer."

Mr. McNARY. What does that mean?

Mr. O'MAHONEY. It means any other type of payment made under this bill or under the Soil Conservation Act.

Mr. McNARY. Exactly as is the wording here, which is that payments shall be further conditioned upon utilization of land, which means the same thing and covers all commodities and does not permit any of them to escape.

Mr. O'MAHONEY. My understanding is that the language which I have just read includes every single thing the Senator has in mind and differs from his amendment only in that it will not make it incumbent upon the administering officials to examine every single farm of every cooperator under the two proposals. I have the feeling that the requirement imposed by the amendment of the Senator from Oregon is so rigid that it would result in totally defeating the purposes of the bill for those who are growing the other commodities.

I am anxious to protect the livestock industry, the dairy industry, the poultry industry, and every other industry, the commodities of which may be increased by the operation of the provisions of this bill, but certainly we do not want to destroy the whole effect of the legislation.

Mr. McNARY. The amendment which I have offered follows the provision of the House. It was proposed by the dairymen and poultrymen of the country. They understand it. It is agreeable to them. It is now here for our consideration and covers every phase of the question without any complication whatsoever. It does not require any more policing, it does not add any more difficulties upon the part of the General Accounting Office, than the one offered by the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Am I to understand that the language which I have just read cannot now be offered as a substitute?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that it could not be offered by any Senator except the Senator who offered the original amendment and who may modify his amendment by the acceptance of the language.

Mr. O'MAHONEY. The Senator from Idaho may withdraw his original amendment and perfect it by substituting this language?

The PRESIDING OFFICER. Yes.

Mr. O'MAHONEY. May I ask the Senator from Idaho if he would be willing to do that?

Mr. POPE. Mr. President, I should like an opportunity to examine the language a little more carefully.

The PRESIDING OFFICER. The substitute offered by the Senator from Oregon is the pending question.

Mr. O'MAHONEY. My understanding is that though the Senator from Idaho should present this as a substitute for the amendment which he originally proposed, the vote would still come first upon the substitute offered by the Senator from Oregon?

The PRESIDING OFFICER. The Senator is correct.

Mr. BORAH. Mr. President, are we going to undertake to complete consideration of this particular amendment tonight?

Mr. BARKLEY. Mr. President, I hope we can do so.

Mr. BORAH. This is an exceedingly important matter. I dislike very much to go ahead tonight if it can be avoided.

Mr. BARKLEY. I might as well at the moment make a suggestion which will determine whether we shall have a night session or not. I have conferred with Members on both sides of the aisle with reference to fixing an hour tomorrow at which we may begin voting without further debate on the bill and on all amendments, with a view to avoiding a session tonight if possible and with the view of recessing from tomorrow over until Monday.

In order that I may make the unanimous-consent request under the rule to fix an hour for voting tomorrow it is necessary to have a quorum call unless that requirement is waived. That can be done by unanimous consent. Therefore under the circumstances, while the amendment is being examined by the Senator from Idaho [Mr. POPE], I ask unanimous consent to waive the requirement of the rule for the calling of a quorum in order that I may submit a unanimous-consent request to fix an hour for voting tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none and it is so ordered.

Mr. BARKLEY. I now propose the unanimous-consent agreement which I send to the desk.

The PRESIDING OFFICER. The proposed agreement will be read.

The legislative clerk read as follows:

Ordered by unanimous consent, that on the calendar day December 17, 1937, at not later than 4 o'clock p. m., the Senate will proceed to vote without further debate upon any amendment or substitute that may be pending or any amendment or substitute that may be offered and upon the bill (S. 2787) through the regular parliamentary stages to its final disposition.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, to the general purposes of the agreement I have no objection, but it must be conditioned upon two propositions, one that we will have a vote on the pending amendment in the nature of a substitute this evening, or now, and that we will have no night session. I suggest that we defer submission of the request, and proceed with the pending business.

Mr. BARKLEY. Mr. President, one of the reasons for offering the unanimous-consent agreement now was in order to avoid a night session. I am perfectly willing to remain here in session, if we have to, until we can dispose of the amendment now pending. I think that if we are not to have a night session we can remain a little longer and dispose of it, and I am willing to enter into that understanding.

Mr. McNARY. I am quite agreeable, if we dispose of the amendment offered in the nature of a substitute to the pro-

posal of the Senator from Idaho, that we take a recess until 12 o'clock tomorrow, and commence voting at 4 o'clock upon the amendments pending or which may be offered, or any substitute therefor, or a motion to recommit, without debate.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Oregon [Mr. McNARY] to the amendment of the Senator from Idaho [Mr. POPE].

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. O'MAHONEY. Mr. President, what is the present parliamentary status?

The VICE PRESIDENT. The present parliamentary status is that the amendment of the Senator from Idaho has been perfected as suggested by the Senator from Wyoming. Now, the question is on the amendment in the nature of a substitute offered by the Senator from Oregon [Mr. McNARY] to the amendment of the Senator from Idaho.

Mr. O'MAHONEY. I wanted to be certain that the Senator from Oregon had substituted the language suggested.

The VICE PRESIDENT. The Chair suggests that the proposed amendment of the Senator from Idaho as perfected should be read from the desk for the information of the Senate.

Mr. SMITH. Mr. President, under the unanimous-consent proposal it is understood—

The VICE PRESIDENT. There is no unanimous-consent proposal pending.

Mr. SMITH. Very well.

Mr. BANKHEAD obtained the floor.

The VICE PRESIDENT. Will not the Senator from Alabama permit the amendment to be read?

Mr. BANKHEAD. Certainly.

Mr. McNARY. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. Am I to understand that this belated suggestion takes the place of the former proposal submitted by the Senator from Idaho?

The VICE PRESIDENT. That is the situation. The Senator from Idaho has the right to perfect his amendment before it is acted on.

The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. On page 82, after line 25, it is proposed to insert the following new section:

SEC. 66. Each adjustment contract or other offer entered into or made pursuant to this act or the Soil Conservation and Domestic Allotment Act shall provide that the cooperator or other person to whom such contract or offer applies shall undertake not to use acreage diverted under either of such acts for the production for market of livestock or poultry or the products thereof; and in the event that a marketing quota is established for any commodity under this act, no acreage diverted from the production of such commodity pursuant to such quota shall be used for the production for market of livestock or poultry or the products thereof.

Mr. O'MAHONEY. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. O'MAHONEY. It is my understanding that if the substitute offered by the Senator from Oregon should upon the pending vote be rejected, the question will then come on the amendment which has just been read.

The VICE PRESIDENT. The Senator states the parliamentary situation correctly.

Mr. BANKHEAD. Mr. President, I understand the amendment offered by the Senator from Oregon in the nature of a substitute to be the pending business, and I wish to submit some remarks.

Mr. BARKLEY. Mr. President, what happened to my unanimous-consent request? Is it still pending?

The VICE PRESIDENT. The Chair understood that the Senator from Oregon [Mr. McNARY] advised the Senator from Kentucky that he could not enter into an agreement until a vote was had on his amendment. Therefore the

Chair assumed there could be no unanimous-consent agreement pending until the vote was had on the pending amendment. The Chair will ask the Senator from Oregon whether that statement is correct.

Mr. McNARY. That statement was made conditionally. I said I was willing to have the agreement entered into if we could have a vote now, or this evening, upon the pending amendment, and then conditioned further on the agreement that there would be no night session.

The VICE PRESIDENT. That is as the Chair understood it.

Mr. BARKLEY. Mr. President, that is my purpose in undertaking to ascertain now whether we can enter into the agreement, because if we cannot enter into it, we will have to have a night session. I am willing to vote on the amendment pending and allow my request to be suspended while that operation is in progress.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Oregon in the nature of a substitute for the amendment offered by the Senator from Idaho. The Senator from Alabama is recognized. That is the status at present.

Mr. BANKHEAD. Mr. President, I understand the pending question is on the adoption of the so-called McNary substitute.

The VICE PRESIDENT. That is the pending question. The yeas and nays have been ordered.

Mr. BANKHEAD. The McNary substitute is the same as the Boileau amendment in the House of Representatives, and we should all understand that if the McNary amendment shall be adopted, the subject matter will not, as practically everything else in the bill will, go to conference, because that will foreclose it. The McNary amendment is a literal copy of the Boileau amendment adopted in the House. While various phases, practically all phases, of the bill, except the question as to the dairy interests, will go to conference, there is an attempt here to foreclose us from any further consideration of this subject in the conference.

Mr. President, I have no illusions about what the result of this vote will be. There is no reason for me to misunderstand what is going to happen. The sectional question has bobbed up here in some way, as it has in connection with a number of other pieces of legislation which are now pending. It is unfortunate, of course, but I have no more illusion about what is going to happen on this vote and how it is going to happen than I have about what is going to happen when the so-called southern lynching bill comes up when we get through with this matter. I know what is going to happen in connection with that. I have no illusions about it. I know where the votes are coming from, just as I know where they are coming from now, since this sectional question has arisen on the pending amendment. Of course, it is unfortunate.

I know what is going to happen when the jute amendment is called up, if it does come up, although the effort is to provide some additional consumption for cotton at a time when it has been stated here day after day that we are losing the foreign market of cotton. Notwithstanding the declarations of leading men here that they want the American market for the American farmer, I have no illusions about what is going to happen when we reach the question of eliminating a quantity of jute so that additional markets can be found for cotton, and I have no illusions about where the votes are coming from.

Mr. President, I am not making any criticism; I am describing a situation which every candid Member of the Senate knows to exist. It is, of course, unfortunate, but still we all know that it exists.

Mr. President, I have no illusions about what is going to happen here when the so-called Black-Connery wage and hour bill comes back from the other House.

Go over there now if Senators desire to find out the atmosphere, and what they think over there is involved in that program, and if Senators have any further doubt call the junior Senator from Massachusetts [Mr. Lodge], who

said when he voted for that bill he voted to help drive out the competition of industries in the Southern States with the industries of his country.

Do we not all know that that is a paramount issue involved in the House in the wage and hour bill pending there—and that is the leading line of cleavage between the Members of the House—what effect it will have upon southern industry to the advantage of industry in other sections of the country.

So now there is a list. I know the Senator from Wisconsin has truly stated his position. I have never seen him occupy consciously a sectional position. But unfortunately conflicts of interest develop here which place the Senator from Wisconsin against us. This is one of them. The tax on oleomargarine, which, of course, drives out of competition with dairy products the cottonseed oil and vegetable fats of the South, is another one of them.

So there, my friends, we are in that unfortunate situation. Conflict apparently of interest here and there. Economic conflict of interest arising in so many different phases of legislation. I know that it is here.

It will do no good to talk about the constitutionality of this measure. The great constitutional lawyer, Mr. BORAH, from Idaho, yesterday when the Ellender amendment, of a similar nature, was here for consideration denounced it as unconstitutional because it was an effort to control production and fell under the condemnation of the Hoosac Mills case. There is no sort of difference between the Ellender amendment and the amendment of the Senator from Oregon pending now. The Ellender amendment was said to be unconstitutional, but the pending amendment along the same lines seems to be accepted as constitutional.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BANKHEAD. I yield, but I wish the Senator to remember that I do not have much time left.

Mr. BORAH. I agree perfectly with the Senator that the Ellender amendment was unconstitutional, that the pending amendment is unconstitutional, and that the whole bill is unquestionably unconstitutional, and I propose to vote against it. But this amendment is no more vulnerable than the bill as a whole and I am willing to place the dairy interest where it will go up or down with all others interested.

Mr. BANKHEAD. Except the cotton section.

Now, Mr. President, we have heard a whole lot here about the doctrine of scarcity, scarcity, scarcity. Everyone who is against this bill has talked about the economy of scarcity. And still when there develops a mere possibility of having more milk for the children of the cities of this country, more butter, more of the actual necessities of life whose interest is then involved? The consumers? No; the men and women in the cities who are not organized and who are not represented here by effective and wonderful lobbyists. Oh, the consumers then and the doctrine of scarcity then disappears, and they say, "Let us protect the organized dairymen of this country and forget the doctrine of scarcity when the dairymen with their organization appear upon the scene." I should like to have a little consistency about the situation.

Mr. President, I do not think the amendment is going to help you. It may hurt after it is adopted. Something like these southern lynching bills—they think they are going to do some good perhaps, but I think they are going to do more harm than good. But here is the cotton farmer who gets only about \$5 an acre under a program for acreage diversion. If he wants to plant dairy products do Senators suppose he would start with planting only his diverted acreage? No; he gets too little pay for the diverted acreage.

If he wants to go into dairying, my friends, do not think he will stop with a few diverted acres. He will forget his parity and soil-conservation payments, and put his farm into dairying. We know that will be the result. So you are not going to get any benefits under the McNary amendment which prevents the acreage diverted from cotton from being planted to food for livestock for sale.

Mr. President, it makes me sick at heart to see so many efforts developing and being pressed here not only by the gentlemen upon the Republican side but the gentlemen upon the Democratic side who do not live in the Cotton Belt, so many of these programs that are directed at the section in which I live. I know we are not going into the dairy business simply as the result of 2 or 3 years of acreage diversion, because we plan to go back into the full production as soon as we can get rid of a distressing surplus. But to have our section pointed at day after day and have the restraints written into these laws which apply directly and solely to the cotton and tobacco farms in the South is greatly disturbing.

Mr. President, I have said what I want to say on this subject without, I hope, offending anyone. That has not been my purpose. I want to make my protest against this sort of legislation. I know it is not broad-minded legislation. I know it is sectional legislation. I wish we could get away from it. We people of the South want a united country. We are trying to do our part. I wish that other sections of the country would quit driving at us, quit knocking at us, quit passing legislation directed at us, not only in matters like the lynching bill but in financial and economic matters. We have had our long periods of travail and patience and endurance. So why can it not come to an end, my friends? Why keep directing these things at us?

The VICE PRESIDENT. The time of the Senator from Alabama on the amendment has expired.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. As I understand the parliamentary situation, the vote comes first on the substitute offered by the Senator from Oregon [Mr. McNARY].

The VICE PRESIDENT. That is correct.

Mr. BARKLEY. If that substitute should be defeated, the next vote comes on the amendment offered by the Senator from Idaho [Mr. POPE], as modified by him in accordance with the suggestion of the Senator from Wyoming [Mr. O'MAHONEY].

The VICE PRESIDENT. The Senator has stated the parliamentary situation.

The yeas and nays have been ordered.

The Chief Clerk called the roll.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand that if present he would vote "nay." I transfer that pair to the senior Senator from Kansas [Mr. CAPPER] and vote "yea."

Mr. SHIPSTEAD. On this vote I have a pair with the senior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Arizona [Mr. ASHURST], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the junior Senator from Illinois [Mr. DIETERICH], and the Senator from Washington [Mr. SCHWELLENBACH] are detained on important public business.

The Senator from Tennessee [Mr. BERRY], the junior Senator from Virginia [Mr. BYRD], the senior Senator from Virginia [Mr. GLASS], the senior Senator from Illinois [Mr. LEWIS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from Washington [Mr. SCHWELLENBACH] is paired with the Senator from Tennessee [Mr. BERRY]. If present and voting, the Senator from Washington would vote "yea," and the Senator from Tennessee would vote "nay."

Mr. BARKLEY. I announce that my colleague [Mr. LOGAN] is unavoidably detained from the Senate. His pair has been announced.

The result was announced—yeas 41, nays 38, as follows:

YEAS—41

| | | | |
|--------|-------|--------------|--------------|
| Adams | Bone | Bridges | Brown, N. H. |
| Austin | Borah | Brown, Mich. | Bulkeley |

Copeland
Davis
Donahey
Duffy
Frazier
Gerry
Gibson
Gillette
Guffey

Hale
Hitchcock
Holt
Johnson, Calif.
Johnson, Colo.
King
La Follette
Lodge
Lonergan

Lundeen
McAdoo
McCarran
McNary
Maloney
Moore
Nye
Pittman
Stelwer

Thomas, Utah.
Townsend
Vandenberg
Wagner
Walsh
White

NAYS—38

Bailey
Bankhead
Barkley
Bilbo
Bulow
Burke
Byrnes
Chavez
Connally
Ellender

George
Graves
Green
Harrison
Hatch
Hayden
Herring
McGill
McKellar
Miller

Russell
Schwartz
Sheppard
Smathers
Smith
Truman
Van Nuys
Wheeler

NOT VOTING—17

Andrews
Ashurst
Berry
Byrd
Capper

Caraway
Clark
Dieterich
Glass
Hughes

Lee
Lewis
Logan
Schwellenbach
Shipstead

Thomas, Okla.
Tydings

So Mr. McNARY's amendment in the nature of a substitute was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the amendment as amended. [Putting the question.]

Mr. O'MAHONEY. Let us have the yeas and nays.

The VICE PRESIDENT. The yeas seem to have it. The yeas have it, and the amendment as amended is agreed to.

Mr. SMITH. Mr. President, I desire to offer an amendment in the form of a new section.

Mr. O'MAHONEY. Just a moment, Mr. President. Before the Senator from South Carolina offered his amendment and before the Chair announced that the amendment as amended was agreed to the yeas and nays had been asked for.

The VICE PRESIDENT. The Chair did not hear the demand. He desires to be fair with the Senate. Does the Senate desire the yeas and nays on the amendment as amended? Apparently it does, by the show of hands. The yeas and nays are ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. SHIPSTEAD. Mr. President, I have a pair with the senior Senator from Virginia [Mr. GLASS]. I understand that I am released on this vote. I vote "yea."

Mr. DAVIS (after having voted in the affirmative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand that if he were present he would vote "nay." I therefore transfer my pair to the senior Senator from Kansas [Mr. CAPPER], who would vote "yea" if present, and allow my vote to stand.

Mr. BANKHEAD (after having voted in the negative). Mr. President, I desire to change my vote from "nay" to "yea," so that I may be able to make a motion for a reconsideration.

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY], the junior Senator from Virginia [Mr. BYRD], the senior Senator from Virginia [Mr. GLASS], the senior Senator from Illinois [Mr. LEWIS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the junior Senator from Illinois [Mr. DIETERICH], and the Senator from Washington [Mr. SCHWELLENBACH] are detained on important public business.

The Senator from Washington [Mr. SCHWELLENBACH] is paired with the Senator from Tennessee [Mr. BERRY]. If present and voting, the Senator from Washington would vote "yea," and the Senator from Tennessee would vote "nay."

Mr. BARKLEY. I announce that my colleague [Mr. LOGAN] is unavoidably detained from the Senate. His pair has been announced.

The result was announced—yeas 49, nays 34, as follows:

YEAS—49

| | | | |
|--------------|-----------------|-----------|--------------|
| Adams | Frazier | Lodge | Smathers |
| Austin | Gerry | Loneragan | Steiger |
| Bankhead | Gibson | Lundeen | Thomas, Utah |
| Bone | Gillette | McAdoo | Townsend |
| Borah | Guffey | McCarran | Vandenberg |
| Bridges | Hale | McNary | Van Nuys |
| Brown, Mich. | Herring | Maloney | Wagner |
| Brown, N. H. | Hitchcock | Moore | Walsh |
| Bulkeley | Holt | Nye | Wheeler |
| Copeland | Johnson, Calif. | O'Mahoney | White |
| Davis | Johnson, Colo. | Pittman | |
| Donahey | King | Schwartz | |
| Duffy | La Follette | Shipstead | |

NAYS—34

| | | | |
|---------|----------|----------|-----------|
| Andrews | Connally | McGill | Pope |
| Ashurst | Ellender | McKellar | Radcliffe |
| Bailey | George | Miller | Reynolds |
| Barkley | Graves | Minton | Russell |
| Bilbo | Green | Murray | Sheppard |
| Bulow | Harrison | Neely | Smith |
| Burke | Hatch | Norris | Truman |
| Byrnes | Hayden | Overton | |
| Chavez | Lee | Pepper | |

NOT VOTING—13

| | | | |
|---------|-----------|--------|---------------|
| Berry | Clark | Hughes | Schwellenbach |
| Byrd | Dieterich | Lewis | Thomas, Okla. |
| Capper | Glass | Logan | Tydings |
| Caraway | | | |

So the amendment as amended was agreed to.

Mr. SMITH obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from South Carolina yield to me?

Mr. SMITH. I yield.

Mr. BARKLEY. I now desire to renew the unanimous-consent request which I submitted earlier in the evening, that beginning at not later than 4 o'clock tomorrow the Senate proceed to vote on any amendments not then acted on or which may be offered, or any substitute which has not been acted on or which may be offered, and on the bill to final disposition.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I remove one condition, but assert the other, that that implies we will not have a night session.

Mr. BARKLEY. I have stated that over and over again, and that is one of the reasons why I submitted the unanimous-consent request at this time, to avoid a night session. If it is agreed to, there will be no night session.

Mr. RUSSELL. Mr. President, as I understand, if the pending bill shall be perfected and a substitute for the whole bill offered, there will be no limit on debate. I think some limitation should be made whereby those who have amendments to offer, and who would like to have 5 or 10 minutes to explain them, might be recognized. One Senator might take the floor and consume all the time.

Mr. BARKLEY. No Senator could occupy more than 15 minutes on any amendment.

Mr. RUSSELL. I understand, but there are, I believe, two substitutes to be offered, and there is no limitation on debate on substitutes.

Mr. BARKLEY. A substitute cannot be offered until all the amendments have been disposed of, so that contingency would not arise.

Mr. ADAMS. Mr. President, I wish to make an inquiry to determine whether I understood correctly the unanimous-consent agreement. It was that at 4 o'clock tomorrow we should vote without further debate upon all amendments pending or then offered?

Mr. BARKLEY. That is correct.

Mr. ADAMS. At the close of the last session of Congress a very important bill was before the Senate, and from the floor many amendments were offered, and there was no chance even to explain the amendments. Personally I shall not consent to any unanimous-consent agreement which will not at least permit an explanation on the floor of an amendment which is offered and which has not been printed and placed upon my desk. If there were a provision for 2 minutes or 3 minutes or 5 minutes, so that an amendment can be explained, that would be all right; but this bill is very

important, an amendment may be offered from the floor, presented in writing, or submitted orally, and under the unanimous-consent agreement we could not even inquire for an explanation. Unless some provision is made to afford opportunity to explain amendments offered from the floor which are not upon the desk, I shall object to the unanimous-consent agreement.

Mr. BARKLEY. The Senator objects to the agreement?

Mr. ADAMS. Unless some provision is made to advise Senators as to what is being presented.

Mr. BARKLEY. Of course, Mr. President, it is impossible to agree to begin voting without debate at any particular hour if there shall be coupled with it an amendment or reservation that there will be debate.

Mr. ADAMS. It is not impossible to provide that 5 minutes shall be allowed to those who offer amendments on the floor to explain the amendments, I will say to the Senator.

Mr. BARKLEY. If we can have an understanding that 5 minutes shall be given to the proponents of amendments and not have unlimited debate, it would be well.

Mr. ADAMS. That is exactly what I mean.

Mr. BARKLEY. Then I am willing to modify the unanimous-consent request—

Mr. NORRIS. Mr. President, I would not object to the unanimous-consent agreement as first proposed. I would not object if 5 minutes were allowed for debate. But I am not willing to agree that no one shall have the 5 minutes except the one who introduces the amendment. That is the manifestly unfair thing about it. If that is the modification, I object to it.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LEE. I wish to say in regard to the substitute that I have repeatedly said I wanted to offer that I do want to offer it. I have talked with the Senator from Kentucky, and he assures me there will be opportunity to offer it. I feel that the committee and Senators have been very patient, and I want just enough time to present that substitute. I shall not object to a unanimous-consent agreement. I feel that the Senator's only purpose is to facilitate our work here in the Senate.

Mr. BARKLEY. Mr. President, I offer a modification of my request: That beginning at not later than 3 o'clock on tomorrow no Senator shall speak more than once nor longer than 5 minutes on the bill, or any amendment, or any substitute; and that beginning at 5 o'clock, without further debate, the Senate shall proceed to vote upon the amendments or substitutes, and on the bill itself for final disposition.

The VICE PRESIDENT. Is there objection?

Mr. BURKE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BURKE. If the so-called jute amendment is going to be offered by the Senator from Alabama, much longer time will be required to discuss it than allowed in the unanimous-consent agreement which is now requested. If that jute amendment is to be offered, I shall have to object to the unanimous-consent agreement.

Mr. BARKLEY. I do not know, of course, about the jute amendment, except I understand there is one in the offing. But if it should be offered prior to the hour of 3 o'clock, of course, it will be offered under the same limitations that now apply to amendments.

I will say for the information of the Senate that if this agreement is entered into now it is my purpose to move to recess until 11 o'clock tomorrow, so we will have that much more time then.

Mr. SMITH. Mr. President, will the Senator from Kentucky restate his last proposal?

Mr. BARKLEY. The request that I made was that beginning at 3 o'clock on tomorrow no Senator shall speak more than once nor longer than 5 minutes on the bill, any amendment or any substitute thereto, and that beginning at the hour of 5 o'clock, without further debate, we shall proceed to vote on all amendments and substitutes that are then pending, or that may be offered, without further debate to final conclusion of the bill.

Mr. ADAMS. Mr. President, the same evils that existed before exist in respect to that proposal; that is, that amendments can be offered after 5 o'clock, under stress, without explanation. I have no objection to limiting debate, but, as a Senator of the United States, I do feel that I ought not to be asked to vote upon amendments which have not been explained by even one word on the floor of the Senate. Unless that is changed, I shall object.

Mr. McNARY. Mr. President, I may suggest to the capable Democratic leader that we meet at 11 o'clock tomorrow, and, beginning at 2 o'clock, no one shall speak more frequently or longer than 5 minutes on the bill, on any amendment, or any substitute that may be offered thereto. That does not suppress debate, but, in my opinion, we will finish more happily and in a better state of mind than we would in any other way. I submit that suggestion to the Senator.

Mr. BARKLEY. Let me understand—that beginning at 2 o'clock, instead of 3, there should be a 5-minute limitation on all debate, running through to final disposition?

Mr. McNARY. Yes.

Mr. BARKLEY. On the bill, amendments, substitutes, motions to recommit, or any other thing that may be offered in connection with this legislation?

Mr. McNARY. Yes.

Mr. SMITH. Why move it to 2 o'clock in place of 3?

Mr. McNARY. Very well; I am willing to go back to 3 as far as that is concerned.

Mr. BARKLEY. I modify the request, Mr. President, that beginning at the hour of 3 o'clock, with the understanding that we meet at 11, no Senator shall speak more than once nor longer than 5 minutes on the bill, on any amendment, on any substitute, or motion to recommit, or otherwise dispose of this bill.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

Mr. McADOO. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McADOO. I have an amendment in the nature of a substitute which I have been patiently waiting an opportunity to discuss briefly, and which I should like to have an opportunity to explain to the Senate. Under the proposed rule, as I understand it, I would have no opportunity to do that.

Mr. BARKLEY. Mr. President, if the Senator will permit me, we will have 4 hours tomorrow with the same limitation under which we are now proceeding.

Mr. McADOO. There is no limitation on a substitute under the rule.

Mr. BARKLEY. No. The Senator, as I understand it, is offering an amendment.

Mr. McADOO. An amendment in the nature of a substitute.

Mr. BARKLEY. But it will not be in order to offer a substitute for the whole bill until all amendments are disposed of. It never is. If the Senator, as he said to me, offers it as a substitute to the bill, he can do that and speak upon it until 3 o'clock under the same limitation that we have been proceeding under until now.

Mr. McADOO. I do not think that will give me the opportunity which I feel will be necessary to enable me to explain my amendment, which is in the nature of a substitute.

RECESS

Mr. BARKLEY. I move that the Senate recess until 8 o'clock tonight, and then proceed with the bill.

The motion was agreed to; and (at 5 o'clock and 58 minutes p. m.) the Senate took a recess until 8 o'clock p. m.

EVENING SESSION

At the expiration of the recess the Senate reassembled, and the Vice President resumed the chair.

Mr. SMITH. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|--------------|-----------|----------------|--------------|
| Adams | Connally | Johnson, Colo. | Pepper |
| Andrews | Copeland | King | Pope |
| Ashurst | Davis | La Follette | Radcliffe |
| Austin | Dietrich | Lee | Reynolds |
| Bailey | Donahay | Lodge | Russell |
| Bankhead | Duffy | Lonergan | Schwartz |
| Barkley | Ellender | Lundeen | Sheppard |
| Berry | Frazier | McCarran | Smathers |
| Bilbo | George | McGill | Smith |
| Bone | Gerry | McKellar | Steiwer |
| Borah | Gibson | McNary | Thomas, Utah |
| Bridges | Gillette | Maloney | Townsend |
| Brown, Mich. | Graves | Miller | Truman |
| Brown, N. H. | Guffey | Minton | Vandenberg |
| Bulkeley | Hale | Moore | Van Nuys |
| Bulow | Harrison | Murray | Wagner |
| Burke | Hatch | Neely | Walsh |
| Byrd | Hayden | Norris | Wheeler |
| Byrnes | Herring | Nye | |
| Capper | Hitchcock | O'Mahoney | |
| Chavez | Holt | Overton | |

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

Mr. COPELAND. Mr. President, I ask unanimous consent that a short telegram from the Grange of my State, now in session, be read.

The VICE PRESIDENT. Without objection, the telegram will be read.

The Chief Clerk read as follows:

OGDENSBURG, N. Y., December 16, 1937.

HON. ROYAL S. COPELAND,
Senate Office Building, Washington, D. C.:

New York State Grange, assembled in sixty-fifth annual session, representing 135,000 farm folks, is strongly of the opinion that the Senate farm bill, S. 2787, should be recommitted to the Committee on Agriculture and its compulsory features stricken out.

We are opposed to the wholly unnecessary and un-American regimentation of agriculture proposed in the bill.

We are persuaded that no progress can be made by evading, nullifying, and violating the Constitution, as this bill does; if the measure is not modified to meet these objections, we trust it may never be enacted.

NEW YORK STATE GRANGE,
RAYMOND COOPER, Master.

Mr. SMITH. Mr. President, I ask to have read for the information of the Senate the new section which I have offered as an amendment to the bill.

The VICE PRESIDENT. The amendment offered by the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. On page 82, between lines 21 and 22, it is proposed to insert the following new section:

SEC. 64. The Commodity Credit Corporation is hereby authorized and directed to proceed immediately to purchase cotton in the open market and to continue to make such purchases until the average price of seven-eighths Middling cotton on the 10 designated spot cotton markets is 12 cents per pound, or until the Corporation has purchased 6,000,000 bales of cotton of the 1937 crop. No cotton acquired by the Corporation shall be sold if the average price of seven-eighths Middling cotton on the 10 designated spot cotton markets is less than 12 cents per pound, except upon the approval of the President.

Mr. SMITH. Mr. President, this bill and all the antecedent bills have been predicated upon an effort to bring about such a price for farm products as would give a reasonable return to the farmers.

When the A. A. A. was declared unconstitutional, there was formulated and enacted the Soil Conservation Act, which afforded a premium or a bonus to whatever acreage was left out of cultivation in what are known as row crops, and planted to such soil-building vegetation as would improve the character of the soil.

Upon the report that only 34,000,000 acres of cotton had been planted this year, the trade did not expect a crop in excess of 14,000,000 bales. Never before in the history of cotton production in America had there been any crop approximating the present yield except in 1926, when 44,000,000 acres were planted to cotton, and then the total crop was only 17,000,000 bales plus.

This year, to the astonishment of the Department and to the astonishment of every cotton man, on this reported acreage of 34,000,000 acres, approximately 19,000,000 bales of

cotton was made. Of course, the effect was to paralyze the market. The average price today is not to exceed 8 cents a pound. There has been no condition in my section of the country to parallel the present one. In the depth of the depression of 1933, when cotton went down to about 6 cents a pound, the condition was not as bad as now, for the reason that other things were down in proportion. Now, with cotton at the present price, everything that has to be bought is out of all proportion to what it was in 1933. I think every cotton man in the Senate knows that this has been the most extensive crop ever produced in the United States.

At first blush it looks as though to purchase 6,000,000 bales of cotton would be a tremendous draft on the Treasury. Those of us who are interested in the matter have discussed it with Mr. Jesse Jones, of the R. F. C., and he said it would not cost the Treasury a penny because the cotton will finance itself. If we enter the market and begin to buy, and the price as it is today begins to rise, whatever difference there is as the scale comes up will be that much to the credit of the Treasury. As we have already obligated ourselves to pay a bonus of 3 cents a pound on cotton upon which the loan has been made, as the price goes up the obligation of the Government Treasury is lessened to that amount. If it should go to 11 cents a pound, the Government would have to pay only 1 cent; and should it reach 12 cents, the Government would have to pay no bonus at all.

The object of the amendment is that if the bill should become law there cannot be made in the Cotton Belt for market purposes in excess of 10,000,000 bales, the purpose being that by decreasing production there will be a demand for the tremendous surplus and it will gradually drift into the market. What we are asking the Senate to do today—and it affects nothing but cotton, and will cost no one anything, and if any benefit accrues it will go to the cotton grower—is to relieve the pressure and anticipate the effect of the pending bill.

If it should reach the objective hoped for, it is planned to take off the market the 6,000,000 bales of cotton and give the export and domestic consumption an opportunity to advance to where there would be some profit in it for the cotton grower.

I hope everyone here who understands the situation will thoroughly appreciate the fact that even under the loan 3,000,000 bales of cotton have already been placed, and the Government has financed less than 15 percent of it. The bankers are anxious to take the loans and hold the cotton as security. When the operation of the bill shall have had its effect then the Government can begin to unload the surplus without its having such a dreadful effect as it is now having.

Under the terms of the loan, for the first time since loans have been made on cotton the Secretary of Agriculture saw fit to grade the loans according to the grades of cotton, 9 cents on a certain grade and staple, 8 cents on the grade below that, and 7½ cents on the grade below that. On account of the enormous crop and the weather conditions, the average price of cotton is a little less than 8 cents, or 1 cent below the basis upon which 9 cents was promised. Therefore, if we adopt this amendment we can have the Commodity Credit Corporation through the R. F. C. go into the market and buy this cotton with the money advanced by the banks. Mr. Jones testified before the body of Senators representing the cotton States that it would not cost a dollar and that the Government actually stands to make a profit because when they begin to buy, as they bid the market goes up and all the earlier purchases will show a profit. It means that they shall buy only until the purchases reach 6,000,000 bales, which is calculated to be the amount necessary to leave the balance that would be needed for domestic consumption and export. It does not affect any other commodity than cotton. It does not injure anybody at all, but brings a benefit to that part of the general production of agriculture which is in a worse condition than any other major agricultural crop. No one dreamed that the amount of cotton would be approximately 19,000,000

bales. So far as the cotton itself is concerned there is no better crop at a price than cotton.

I want Senators to understand that unless this amendment is adopted we may look for the present low level of cotton for the next 2 years or until this surplus is absorbed. This is simply asking the Government to use its power to go into the market and anticipate the effects of the bill, to lift this burden and allow cotton to recover to the point where those who produce it may have an opportunity to meet their pressing obligations.

Mr. President, it is not necessary for me to make an extended plea. I reiterate that it does not affect anyone but the cotton people immediately, but it does promise to put into circulation money that is sorely needed. The cotton growers cannot meet their tax bills or their ordinary supply bills at the present price of cotton. I believe that by lifting this burden, without any expense to the Government, the relief would be almost immediate. I hope the amendment will be adopted.

Mr. OVERTON. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Louisiana?

Mr. SMITH. I yield.

Mr. OVERTON. Is the Senator in possession of advice as to how much of the 1937 crop is still in the hands of the producing farmers?

Mr. SMITH. I took occasion to ask, and the trade and representatives of the Department informed me that less cotton has been thrown on the market in proportion to the crop than in any other year, hoping that something might be done to bring about a better price. I should say that the farmers themselves, outside of the loans, hold somewhere between 5,000,000 and 6,000,000 bales of cotton.

Mr. OVERTON. I suggest to the Senator from South Carolina that it may be well to modify his amendment by directing that the purchase shall be made from the producers of the 1937 crop of cotton.

Mr. SMITH. Mr. President, I hope they will be the beneficiaries. I would rather leave the cotton in their hands until the price should get to where it would be of tremendous benefit to those who are watching and hoping we will do something for them.

Mr. OVERTON. I believe legislation of this character would not be beneficial to the producers unless the purchase is made from the producers. If the producers have not sufficient cotton on hand it would be better for the program to go into effect as of date August 1, 1938, rather than at the present time. In other words, I am apprehensive that a provision of this character may help the trade and not help the farmer. What I want to do is to help the farmers and not to help the trade particularly.

Mr. SMITH. What we are endeavoring to do is to help the farmer now.

Mr. OVERTON. If a very large proportion of the crop has been sold and is in the hands of the trade, how does the Senator expect to help the farmer?

Mr. SMITH. A pretty large proportion of it is already in the loan.

Mr. OVERTON. The Senator said about 5,000,000 or 6,000,000 bales are still in the hands of the farmers.

Mr. SMITH. I think so.

Mr. OVERTON. If we undertake to purchase 6,000,000 bales, most of it would be taken out of the hands of the trade rather than out of the hands of the farmer.

Mr. SMITH. I think the trade holds a very small percentage. What we are endeavoring to do is to stimulate the price to the point where not only the Government would save on its subsidy, but where the general market price will enable the farmers to sell what they have now on hand.

Mr. OVERTON. Then what would be the objection to inserting, in line 3 of the Senator's amendment, after the word "cotton," the words "from producers of cotton," so the Commodity Credit Corporation would be authorized and directed immediately to purchase from producers of cotton in the open market?

Mr. SMITH. They have had the opportunity to borrow. The trade has not had that opportunity. It is that amount of cotton that is outside the loan that we want to take off the market so as to relieve the pressure.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. Certainly.

Mr. BARKLEY. Of course, if the Commodity Credit Corporation is to buy this cotton in the open market, it means it buys it on the market from those who have offered it for sale.

Mr. SMITH. That is correct.

Mr. BARKLEY. If the purchasers from producers have paid 7 or 8 or 9 cents a pound for cotton and have offered it on the open market, and the Commodity Credit Corporation is bound to pay 12 cents a pound—

Mr. SMITH. Oh, no; they would buy at the market. It may never go to 12 cents. I seriously doubt if it would ever go to 12 cents.

Mr. BARKLEY. They are compelled to buy cotton on 10 designated spot markets.

Mr. SMITH. No; they are to buy at the average price on 10 designated markets.

Mr. BARKLEY. They have to keep on buying until the price is 12 cents or until they have bought 6,000,000 bales.

Mr. SMITH. That is correct.

Mr. BARKLEY. According to the interpretation which I place upon the amendment, and apparently which is placed on it by the Senator from Louisiana [Mr. OVERTON]—having in mind those who now have bought the cotton and have it in storage, who bought it at 7 or 8 or even 10 cents a pound—in the process of boosting the price to 12 cents while the Government is buying that 6,000,000 bales, is it not possible that a considerable portion of the cotton would be bought from those who have purchased it from the farmer at a much lower price as it has gone up toward 12 cents a pound?

Mr. SMITH. I think that is probably true.

Mr. BARKLEY. Does the Senator think the Commodity Credit Corporation, which is the Government by another name, ought to be compelled to buy cotton from those who have bought from the farmer at a greater profit, in some cases as much as 5 or 4 cents a pound?

Does the Senator think we really ought to direct the Commodity Credit Corporation to buy that cotton in large quantities? Even if it were assumed that it bought only half of the 6,000,000 bales from those who bought it from the farmer, they would realize a considerable profit out of it.

Mr. SMITH. The objective is not to make a great difference in the price of the 6,000,000 bales. It is to relieve the pressure on the cotton which is now held by the farmers. There is a good deal of it in the loan. On a good deal of it the farmers have borrowed money. We are merely trying to lift the pressure of the 6,000,000 bales, so that those who have put it in warehouses and borrowed money on it can get it out; and we also want to save the Government as much as possible from the subsidy. That is what we are after. We are trying to save what the farmer has.

Mr. BARKLEY. Would the Senator be willing to modify the amendment so as to provide that in cases where the Corporation purchased it from those who bought from the farmer it should not pay more than a certain amount above what they paid the farmers for it? If they bought the farmer's cotton at 7 cents a pound, I would not want the Government compelled to buy it and pay 11 cents and give the purchasers that profit.

Mr. SMITH. I wish the Senator could see the real objective of getting the 6,000,000 bales off the market. It is to give the tremendous amount of cotton that is in the loan and in the farmer's hands a chance to benefit.

Mr. BARKLEY. I appreciate that.

The PRESIDING OFFICER (Mr. HATCH in the chair). The time of the Senator on the amendment has expired.

Mr. BARKLEY. Mr. President, I ask to be recognized.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BARKLEY. I wish to ask the Senator from South Carolina another question in my own time. I can see the

possible benefit of lifting off the market 6,000,000 bales of cotton now in the hands of the farmers, but if in the process we are only lifting it at a higher price from those who have bought it from the farmer, while the creation of that vacuum might help the farmer by enabling him to shove his cotton into the vacuum, at the same time we would be providing what would seem to me to be a considerable profit to the one who purchased the cotton from the farmer.

Mr. SMITH. Every bale sold to the Government passes, it is gone, and there is no hope on the part of the farmer to realize any benefit from the rise. Our opinion was that if we would go into the open market and buy, the farmer, being advised of what we were doing, would be more likely to hold his cotton off and benefit than if he should sell it at the market today, because when it is sold, it is gone.

Mr. BARKLEY. If the amendment were adopted and the Commodity Credit Corporation were to proceed in the purchase of this 6,000,000 bales of cotton, of course, that process would naturally result in raising the price of cotton.

Mr. SMITH. Yes; but I would not want any farmer who could help it to sell until the trade had been exhausted, so as to give him the full benefit on his loan cotton and on the cotton he might hold.

Mr. BARKLEY. Assuming that the Government bought these 6,000,000 bales, we will say at an average of 10 cents a pound—and there are 500 pounds to the bale, I believe—

Mr. SMITH. Yes.

Mr. BARKLEY. That would represent in actual cash, for 6,000,000 bales, if the Government bought it and paid for it, \$50 a bale.

Mr. SMITH. That is correct.

Mr. BARKLEY. That would mean \$30,000,000.

Mr. SMITH. Yes.

Mr. BARKLEY. How much money, if any, has the Commodity Credit Corporation available for this purpose now?

Mr. SMITH. Some of us knew beforehand that the banks were willing, as Mr. Jones told us, to put up 100 percent.

Mr. BARKLEY. One hundred percent of what?

Mr. SMITH. Of the purchase price, and take the cotton as collateral, the Government guaranteeing the debentures, and we were informed that it would not take a penny out of the Treasury, and if the plan succeeded, and we started at the present price, as it moved on up there would perhaps be a profit in it for the Government.

Mr. BARKLEY. Suppose another bumper crop were produced next year such as that produced this year; what would be the chance of the Government getting rid of the 6,000,000 bales it bought under the amendment?

Mr. SMITH. Mr. President, we were proceeding on the assumption that the bill we are now working on would become law, and if any relief at all is to be given the farmer pending the enactment of this bill it would just anticipate it and relieve the farmer now.

There is no fear of a bumper crop of cotton next year. The farmers are thoroughly aware of the astounding carry-over both in this country and abroad, and this is the only opportunity they know of to get immediate relief.

Mr. BARKLEY. Of course, frequently such a situation results in one man thinking that the other fellow will reduce, and he will go ahead and increase.

Mr. SMITH. That would not happen if this bill should be enacted.

If the bill becomes the law and the compulsory feature goes into effect the farmer will have to reduce his crop. Then suppose the seasons are not like what they have been this year; we would come nearer a 7,000,000-bale crop than a 10,000,000-bale crop.

Mr. OVERTON. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. OVERTON. I desire to ask the Senator from South Carolina another question with reference to the amendment he proposes. The Commodity Credit Corporation cannot sell any of the cotton at less than 12 cents a pound except upon the approval of the President.

Mr. SMITH. That is correct.

Mr. OVERTON. There is an item of uncertainty in the whole situation, and if 6,000,000 bales of cotton were held over the market, to be released at such a price as the President might designate at any time, that would keep the price down. I think that if the Senator wishes to carry out the purpose of his amendment, there should not be any uncertainty whatever as to the price at which the Commodity Credit Corporation would sell the cotton. It ought not to be upon the approval of the President or on the approval of anyone else. It ought to be provided that the Commodity Credit Corporation could not sell the cotton for less than 12 cents at any time.

Mr. SMITH. Several who conferred on that subject felt that it would be better to leave the discretion with the man who has worked so assiduously to bring about better conditions for the farmer. We thought that perhaps the President, who initiated all the relief activity, would know when it would be advisable to release any of the cotton.

Mr. OVERTON. It is not a question of the wisdom or of the interest of the President in the cotton farmer, but this is the question, and this only is the question: If there is an element of uncertainty as to what price the cotton shall be sold for, then the 6,000,000 bales will operate as a depressing influence upon the cotton market, it matters not whether we leave it to the President or to any other official on God's green earth.

Mr. SMITH. Mr. President, personally I think the Senator's argument is very sound; but conditions might arise when it would be advisable to change the selling price. It might be advisable to raise it, if conditions justified, or to lower it. But the consensus of the gentlemen who were in the meeting when we were seeking to devise some way to relieve the terrible condition of the cotton farmer was that perhaps it would be better to start off with this provision, and as we are likely to be in continuous session, if things should develop so that it might be well for us to fix some definite price, we could do it by amending the law.

Mr. MCGILL. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. MCGILL. I should like to have some information from the Senator from South Carolina, and I feel he would be able to furnish it.

As I understand, about 18,000,000 bales of cotton were produced in the United States last season, and I should like to be advised as to about how much of that 18,000,000 bales is still in the hands and under the ownership of the producers, the farmers who raised it.

Mr. SMITH. Mr. President, it is almost impossible to answer that question, but the best estimate that could be gotten was that between five and six million bales are still in the farmers' hands. About 3,600,000 bales are in the loan.

Mr. MCGILL. Has the cotton over and above the five or six million bales been sold, or does it remain to be marketed?

Mr. SMITH. About 3,600,000 bales are in the loan, and the mills have bought a good deal, which they would not resell, of course. Some of the cotton has been already exported and is out of the country.

Mr. SMATHERS. Mr. President, I send to the desk, with the request that it be read into the RECORD, copy of a telegram directed by me to Secretary Wallace, and his reply thereto, on the subject of whether or not he favors the pending bill now under discussion.

The PRESIDING OFFICER. Does the Senator desire to have the letters read at the desk?

Mr. SMATHERS. I desire to have them read; yes.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

The following telegram was sent at 2:30 p. m., December 16, 1937:

Hon. HENRY A. WALLACE,
Secretary, United States Department of Agriculture,
Washington, D. C.:

One section of the public press quotes you as being for and another section quotes you as being against the agricultural bill now pending before the Senate. Stop. One group of Senators

supporting the pending bill quotes you as being in favor of the bill while another group of Senators who are not in favor of the passage of the bill quotes you as not being in sympathy with the agricultural bill now pending before the Senate. Stop. Coming from New Jersey where we do not produce a crop to largely benefit by the act it is important for me to know in making up my mind whether to vote for or against this bill (comma) to know unequivocally whether the Department of Agriculture is for or against the agricultural bill now pending before the Senate as amended. Stop. Please wire me your answer.

WILLIAM H. SMATHERS,
United States Senator, New Jersey.

DEPARTMENT OF AGRICULTURE,
Washington, December 16, 1937.

Hon. WILLIAM H. SMATHERS,
United States Senate.

DEAR SENATOR: I believe there are many excellent points in both the Senate and House drafts of farm legislation and that there will be an opportunity for the conference committee to work out a stronger draft than either.

The criticism of the Senate bill credited to me in some of the morning papers today was directed at the price-fixing or so-called two-price or domestic-allotment type of a bill, and not at the bill reported by the Senate Agriculture Committee, except insofar as that bill might under certain conditions produce difficulties similar to those of price fixing. In my press conference of yesterday I made it clear that I felt the Senate bill as reported out by the Agriculture Committee was much more workable than these price-fixing, two-price systems, or domestic-allotment proposals. My fear of that type of bill was that it would interfere with Secretary Hull's reciprocal-trade program by requiring a complete embargo on all agricultural imports and that it would require Government licensing of all purchasers of farm products as well as all farmers selling farm products.

My views with regard to the Senate bill have been set forth in a letter which I wrote Senators POPE and MCGILL.

I sincerely trust that you will vote for the most practical form of ever-normal-granary legislation to which the Senate can agree.

Sincerely yours,

H. A. WALLACE, Secretary.

Mr. OVERTON obtained the floor.

Mr. BORAH. Mr. President, I should like to put into the RECORD a paragraph or two in connection with this letter.

Mr. OVERTON. I am very glad to yield to the Senator from Idaho.

Mr. BORAH. I desire to read into the RECORD a statement by Secretary Wallace, found in the paper in quotations:

This is the situation as I sense it. There is a feeling that other groups use the Government's power to impose a type of scarcity for their own profit, and farmers don't see any reason why I should frown on farmers using Government power to do the same. They say "Why not meet fire with fire? Why not have a show-down?" But just because other elements do these things I don't see why the farmers should.

If we began a program like that we would have a downward spiral of scarcity. I don't see why the Government should stand for that kind of thing. As Secretary of Agriculture, my obligation is to see if something can't be worked out for farmers to cooperate in bringing about an ascending spiral of abundance instead of a descending spiral of scarcity.

I should like to have had that attached to my remarks some days ago in this Chamber upon the philosophy of scarcity, but at that time the interview had not been given and published.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McNARY. I thank the Senator.

Mr. President, this letter from the Secretary of Agriculture—

Mr. OVERTON. Does the Senator desire to ask me a question or to address the Senate?

Mr. McNARY. I simply desire to make a remark in line with what has just been said by the Senator from Idaho [Mr. BORAH].

Some few days ago the Senator from Idaho [Mr. POPE] and the Senator from Kansas [Mr. MCGILL] received a letter from the Secretary of Agriculture in which the Secretary denounced the bill. As I read the statement attributed to the Secretary in the newspaper this morning, he was against the measure. After reading the letter which the Secretary sent to the distinguished Senator from New Jersey [Mr. SMATHERS], one cannot ascertain what the Secretary's position is. I think that letter should be referred to the

Bureau of Standards for a chemical test. [Laughter.] I should like to make that motion.

Mr. OVERTON. Mr. President, I offer an amendment to the pending amendment offered by the Senator from South Carolina [Mr. SMITH], in line 3, after the word "cotton", to insert the words "from the producers of cotton."

The purpose of this amendment, Mr. President, is to benefit the individual farmer. The whole purpose of our present contemplated legislation is to benefit the farmer. If purchases are to be made by the Commodity Credit Corporation at a higher price, the producing farmer should get the benefit of the higher price.

As I suggested in my colloquy with the very able senior Senator from South Carolina [Mr. SMITH], and as has been very forcefully presented by the senior Senator from Kentucky [Mr. BARKLEY], it would serve no immediate purpose as far as the Government is concerned, representing the Nation, if we should undertake to create an artificial market in favor of the trade that has purchased cotton at a lower price. It would serve no beneficial purpose if we should undertake to raise the price of cotton in the hands of the trade after the trade has purchased it at a low price.

I am not making this statement in antagonism to the trade, but I am making it in the interest of the farmers.

According to the statement given to me by the Senator from South Carolina, there is sufficient cotton still in the hands of the farmer to buy the 6,000,000 bales out of the 1937 crop. If, however, there is not, I propose after this amendment is acted upon to offer another amendment, and in line 7 to strike out the words "of the 1937 crop", so that the amendment would read:

The Commodity Credit Corporation is hereby authorized and directed to proceed immediately to purchase cotton from the producers of cotton in the open market, and to continue to make such purchases until the average price of seven-eighths Middling cotton on the 10 designated spot cotton markets is 12 cents per pound, or until the Corporation has purchased 6,000,000 bales of cotton.

If the Commodity Corporation is not in a position to get the 6,000,000 bales from the producing farmers by August, it will be able to get the additional quantity necessary to make up the 6,000,000 bales out of the 1938 crop.

Therefore, Mr. President, I submit the amendment. It speaks for itself.

The PRESIDING OFFICER (Mr. HATCH in the chair). The question is on the amendment of the Senator from Louisiana to the amendment of the Senator from South Carolina [Mr. SMITH].

Mr. BILBO. Mr. President, before any action is taken on the amendment offered by the Senator from Louisiana, I desire to make a few observations, because I was in part responsible for the amendment offered by the distinguished Senator from South Carolina. I wish to say to Senators from the other sections of the country that if they really want to help the distressed South here is their opportunity. I am afraid the distinguished Senator from Louisiana [Mr. OVERTON] and the Senator from Kentucky [Mr. BARKLEY] miss the philosophy of this amendment and the real purpose of it.

The purpose of this amendment is to help the farmer, the producer, and not the cotton speculator or buyer; and I think I shall be able to show Senators how it will help the farmer and help the Government.

Mr. BARKLEY. Mr. President, will the Senator yield to me in order that I may make a correction?

Mr. BILBO. I yield.

Mr. BARKLEY. In the colloquy a moment ago between the Senator from South Carolina [Mr. SMITH] and me, the suggestion was made that 6,000,000 bales at \$50 would amount to \$300,000,000. It would amount to \$300,000,000.

Mr. BILBO. As the Senator from South Carolina has said, this proposition would not cost the taxpayers of the Government one red cent.

Mr. BORAH. Mr. President, will the Senator yield to me, so that I may ask him a question?

Mr. BILBO. I yield.

Mr. BORAH. I should like to have it more explicitly explained why it will not cost the Government anything. That is the matter which most concerns me.

Mr. BILBO. The purpose of the bill which we are trying to pass, so far as the cotton feature of it is concerned, is to eliminate the great surplus that we have on our hands, which has brought the price of cotton down now to about 7 or 8 cents a pound, and that is 7 cents below the cost of production. This cotton crop cost the cotton farmers of the South between 10 and 12 cents a pound to produce. There may be sections in the Cotton Belt where cotton was produced at 10 cents a pound, but in the great white sections of the South where the small farmers operate I know that it cost 12 cents a pound.

The Government is lending 9 cents a pound on the cotton, and already the Government has invested 9 cents for between three and four million bales of the 1937 crop; and unless something is done to boost the price of this cotton, the Government stands a chance to lose.

The proposition we are now making will enable the Government to save money on the loans it has already made.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. REYNOLDS. Will not the Senator also state whether at the same time the Government will not really have an opportunity to make something out of the investment, as well as to safeguard the loans which the Government has already made?

Mr. BILBO. That is true.

The Senator from Kentucky has an idea that the purchase of this 6,000,000 bales in the open market will help the cotton speculator. That is not true, except to a very small extent, for this reason: The cotton buyers who have bought up a part of the 1937 cotton either sell it to the mills or they export it; and a large percentage of the crop they have already bought is gone, so far as their ownership is concerned. It is out of their hands, and it cannot be bought.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. BARKLEY. I desire to ask the Senator a question. I am seeking information. I probably do not understand all I know about cotton. [Laughter.]

How do we know that the purchaser of the cotton from the farmer has gotten rid of it; that he has either exported it or sold it to the mills? The season for cotton is not old. It is new. The cotton has been picked in the fall of 1937, and much of it has been sold, but I do not know what proportion. How do we know how much has already been sold? How can we be assured that this cotton will be purchased from the farmer, and not from those who have purchased it from the farmer?

Mr. BANKHEAD. Mr. President, will the Senator from Mississippi permit me to answer that question?

Mr. BILBO. The Senator from Alabama desires to answer that question. I will yield to him because of seniority.

Mr. BANKHEAD. I am quite willing to accept the statement of the Senator from Kentucky that he probably does not understand all he knows about cotton. [Laughter.]

Mr. President, we all know, and all who are connected with the cotton trade know, that so far as the cotton buyers are concerned it would not make any difference if cotton went up 10 cents a pound between now and tomorrow night; the cotton buyers would not make anything, because the very first thing the buyers do on the day they buy the cotton is to hedge it. It will break any cotton merchant in the world not promptly to hedge his cotton. After he has finished a day's transaction in buying cotton from the farmers, that very night he hedges every bale. He sells it on the market. The Senator understands what hedging means?

Mr. BARKLEY. Yes; I know what hedging means.

Mr. BANKHEAD. He sells it on the market, so it is totally immaterial to him from the money standpoint whether the price goes up or goes down. He does not lose either way. He makes his profit not by virtue of a change

in the price of cotton but by virtue of a commission upon each unit handled by him. That is the reason why the cotton dealers are always interested in quantity and not in price.

Mr. BARKLEY. If this amendment is adopted, will the buyer continue to hedge every night?

Mr. BANKHEAD. If he buys any cotton, he will. This is the proposition: Suppose he bought his cotton; he would hedge every night at the price at which he bought it. Suppose his cost has averaged 8 cents a pound. It does not make any difference which way the price moves, whether up or down. If it moves up, he has it sold at that price, and his situation just balances itself up. He does not make anything with the rise or with the fall. If the price rises, he gets the profit on his spot cotton to overcome and offset his loss on his futures contract; and they just balance each other every day.

Mr. BARKLEY. I understand that when he buys cotton he hedges or he sells before he goes to bed, so that if the price goes up by the time he gets up the next morning he has already sold his cotton.

Mr. BANKHEAD. That is correct.

Mr. BARKLEY. But if he knows that by reason of any amendment of this sort cotton is going up, not for 1 day but for several days, perhaps for months, will he hedge then?

Mr. BANKHEAD. He will never know until after the President signs the law what will be done, and then it will be too late.

Mr. SMITH. Mr. President, I will state to the Senator that every cotton buyer in America who buys cotton hedges immediately. His profit lies in his commission. If he buys at 10 cents he sells the contract immediately.

Let us see how it works. His commissions are all fixed. He buys at 10 cents and sells at 10 cents. If he has sold, and cotton goes down a cent a pound, or \$5 a bale, on his hedged contract he has made \$5, but he has lost \$5 on his spot. One counteracts the other.

If he has sold a good deal of cotton ahead he immediately buys a contract, so that it is called insurance. The price is fixed. He never makes 1 penny out of the spot transaction except his commission.

Mr. BARKLEY. Now let me ask about the man who does not buy actual cotton in the bale but who goes down to a broker's office and says, "Buy me a thousand bales of cotton tomorrow," not for delivery but just for speculative purposes, and he holds it for a month or 2 months, and it goes on up to 12 cents.

Mr. SMITH. We were talking about spot cotton in the hands of the farmer.

Mr. BARKLEY. Yes, of course; but does this amendment in any way deal with or have any effect upon that kind of a transaction, which is purely a speculative matter, without any delivery of the cotton being expected at all?

Mr. SMITH. I hope it will have that effect, because that man has bought a certain amount of futures, and if the price goes up it is a transaction between the futures market and him. We are after the boy in the field who has the spots, and as the price goes up he may make a profit; but in making that profit he has lifted the market, or aided in lifting it, for the benefit of the man who does not deal in futures, but who deals in actual cotton.

Mr. BARKLEY. I am anxious that the Government shall not have too many spots on it, after this transaction has been gone through, in the way of a loss by reason of purchasing the cotton at 12 cents, if the price should go up that high, and then holding it indefinitely, with the possibility of a loss. I do not think the Government should be in this business for the purpose of making money. The possibility that the Government may make a little money out of the transaction does not attract me at all. If the farmer, the man who has grown the cotton, is to be benefited, that is one thing; but if the benefit is to inure to the

benefit of the man who has already bought the cotton from the farmer, that is a different thing.

Mr. OVERTON. Mr. President, may I make one observation right there?

Mr. BILBO. I yield.

Mr. OVERTON. The conclusion cannot be escaped that most of the 18,500,000-bale crop of 1937 is still in existence, and that most of it has gotten out of the hands of the farmer. Wherever that cotton is, when the price goes up it is going to benefit the present holders of the cotton; and the purchases are to be made from the present holders of the cotton, as the amendment now reads. What I desire to do is to limit the purchases to the producers of the cotton; and that will help the cotton farmer.

Mr. SMITH. Mr. President, if the Senator from Mississippi will allow me to interrupt him further—

Mr. BILBO. I shall be glad to do so.

Mr. SMITH. I wish all of us here understood the real workings of the modern cotton market. If a large amount of cotton has been bought, it does seem as if somebody would make a profit out of it. So far as the buyer is concerned, he could not do so, because, as I have said, he has hedged, and every spot transaction carries a hedge.

The dealer in futures, the one who just takes a gambling chance and buys cotton without having any hedge contemplated, may or may not make a profit; but if the market goes on up, whether by the sale of futures or by the purchase of futures, the man who has the actual spots is the one who is going to benefit by it. The mills which have their cotton are not going to sell it, and most of the cotton bought by the buyers has been sold to the mills on the hedge.

Mr. OVERTON. Mr. President, will the Senator from Mississippi further yield?

Mr. BILBO. I yield, although I do not wish to yield all of my time.

Mr. OVERTON. I desire to ask just one question of the Senator from South Carolina.

Mr. SMITH. I suggest that the Senator wait until the Senator from Mississippi concludes his remarks.

Mr. OVERTON. Very well.

Mr. BILBO. Mr. President, I am indebted to my distinguished seniors from Alabama and South Carolina and Louisiana for the very illuminating explanations they have given to my friend the Senator from Kentucky.

I wish to get this proposition over to the Senate: I think it is conceded that between 5,000,000 and 6,000,000 bales of the 1937 crop are still in the hands of the farmers, and have not been sold. That cotton is still in their possession. Between three and four million bales are in the hands of the Government on a 9-cent loan. That is still the producers' cotton. In other words, about 10,000,000 bales of the eighteen- or nineteen-million-bale crop is still in the possession of the real dirt farmer who produced it.

The PRESIDING OFFICER. The time of the Senator from Mississippi on the amendment has expired.

Mr. BORAH. Mr. President, I asked the Senator from Mississippi a question a short time ago.

Mr. BILBO. I am very sorry I did not get to it.

Mr. BORAH. I was about to say that I asked the Senator to explain how the Government could buy this cotton without any outlay of money. He was interrupted in his explanation; and I ask him if he will not now explain the matter, so that we on this side who know very little about cotton will understand how the transaction can be carried out. I shall object to being interrupted until the Senator explains.

The PRESIDING OFFICER. The Senator from Idaho yields to no one except the Senator from Mississippi.

Mr. BILBO. I have a right to surrender the opportunity to inform the Senator; have I not?

Mr. BORAH. I simply want the explanation.

Mr. BILBO. I appreciate that fact.

I was in all the conferences with the Honorable Jesse Jones, chairman of the board of the Reconstruction Finance

Corporation, in which he explained that the only thing needed to carry out this transaction would be the credit of the Government, but no actual money out of the Treasury of the United States, because the Commodity Credit Corporation could borrow all the money through his organization upon the credit of the Government, and the banks of the country were willing to advance the money on the cotton that was bought, just as they had advanced the money on the 9-cent loan. The Government has invested in only 15 percent of the nearly 4,000,000 bales on which we have loaned \$45 a bale; and the same thing will happen in the purchase of the 6,000,000 bales. Mr. Jones assured us that it would not take one cent. He is a financial wizard.

Mr. McNARY obtained the floor.

Mr. BILBO. Mr. President, will the Senator from Oregon permit me to make one other statement in connection with what I was trying to get over when I was taken off the floor by the distinguished gentleman who interrupted me?

Mr. McNARY. Certainly.

Mr. BILBO. If this bill passes, it will be 2 or 3 years before the cost of production will ever be gotten out of the cotton crop of the South. This is the only chance to give the cotton producer of the South the cost of production at this time. When we assure you that it will not cost the Treasury a cent but that the Government itself will make money, and save the money it has invested or that it stands a chance to invest in the cotton, it strikes me you ought to let the amendment be adopted and go to conference and have the matter fought out there.

Mr. McNARY. Mr. President, I observe that King Cotton is on parade.

Mr. KING. Always.

Mr. McNARY. I desire again to refer to the poor, lowly wheat grower, whom I have frequently mentioned.

On line 3, after the word "cotton", I offer the following amendment:

And 30,000,000 bushels of Pacific Northwest white wheat.

Mr. President, without making an argument, I ask that the very impressive telegram which I send to the desk be read by the clerk.

The PRESIDING OFFICER. Without objection, the telegram will be read.

The Chief Clerk read as follows:

ST. PAUL, MINN., December 13, 1937.

HON. CHARLES L. McNARY,

Senate Office Building, Washington, D. C.:

Conference of farm groups have thoroughly discussed current and prospective wheat prices. Income of all wheat producers needs protection which would approve from subsidizing at this time 30,000,000 bushels of wheat out of Pacific Northwest. Wheat price to farmers at this time 30 to 40 cents below parity, with prospect of lower price level. Five or six million dollar subsidy at this time may save Government several times that amount later on if proposed farm bill becomes law and effective. Either provide wheat subsidy by amendment to farm bill or gain commitment from Secretary of Agriculture for use of funds set aside under section no. 32.

M. W. THATCHER, for National Farmers' Union.

NORTHWEST FARMERS' UNION LEGISLATIVE COMMITTEE.

WHEAT CONSERVATION CONFERENCE.

MINNESOTA FARM CONFERENCE BOARD.

Mr. SMITH obtained the floor.

The PRESIDING OFFICER. If the Senator from South Carolina will permit the Chair to do so, he would like to make an observation for the benefit of the Senator from Oregon. The Chair does not know whether the Senator from Oregon was aware that the Senator from Louisiana [Mr. OVERTON] had already offered an amendment to the amendment offered by the Senator from South Carolina.

Mr. McNARY. I did not, of course, understand that to be the case. I always try to observe the rules of the Senate, and I did not understand that that was so. My amendment is only in the offing now.

The PRESIDING OFFICER. The Senator from Oregon withdraws his amendment and will reoffer it later.

Mr. SMITH. Mr. President, I desire to speak on the amendment offered by the Senator from Louisiana [Mr. OVERTON].

I feel like resenting the levity that seems to characterize tonight a thing that is more tragic than all the effort we have made here for a month to try to relieve the distressed condition of the farmers. Now we come here with a very technical thing known as the cotton market. It has grown up to the point where, with the purchase of cotton and the sale of hedges either on the bear side or the bull side, either sell or buy, the farmer is wrapped up in the price he is to get. We have gotten together and attempted to work out a plan by which immediate relief could be given.

We sent for Mr. Jones, and his simple explanation was that they bought the cotton. They did it when there was a 13,000,000-bale surplus upon which 12 cents was loaned. The Government never put out one dollar. The banks took it 100 percent, with the Government's guaranty that if there was any loss in it the Government would make it good. They did not lose a dollar, and we have in this bill a proposal to redistribute to the farmers \$1,800,000 made under that transaction. As the cotton is bought these debentures are extended to the banks and the banks are guaranteed 100 percent—not a dollar out.

I see men sit here and laugh as though it were a joke that 6,000,000 people today in my section of the country, by the providence of God, are deluged under a tremendous burden of cotton; and we come here with a proposition that the Government, using the facilities of the banks, shall let the cotton finance itself, as the Chairman of the Reconstruction Finance Corporation says it will do. He said:

The cotton will finance itself. I can go into the open market and buy the crop, and the banks will finance it. The only risk the Government runs is that when the time comes when the cotton must be disposed of, the Government will have to make good to the banks the difference between what they get and what they loaned.

He repeated and repeated to us that they would let the farmers have 100 percent.

Here we stand, quibbling from time to time as to what this would cost. Here we have parity price provided for, and we argue back and forth whether it would cost the Government \$500,000,000 or whether it would not cost more than \$400,000,000.

Here is a proposition which, if the bill is worth the paper it is printed on, is simply anticipating the effect of the bill. If the bill works, the Government has taken no risk, unless in the succeeding 2 or 3 years the farmers repeat this tremendous crop of cotton. If the bill does not work, the Government has taken a risk.

All I am asking you to do is to give the Reconstruction Finance Corporation and the Commodity Credit Corporation authority to go into the market and lift off this tremendous burden of the surplus, give your bill an opportunity to work, give the farmers an opportunity to meet the situation by reducing their crop, and not leave them to wait for perhaps 2 years before the price can revive to a point where they can have something to buy with.

That is all there is to it. Oh, yes; it is a great joke when we come here with a serious proposition to relieve our people, but it was not a joke when an effort was made under the Soil Conservation Act to prevent somebody from competing with somebody else. The mills of New England tonight are running only one-third time; and why? It is because orders are being canceled and they have no assurance of where the price is going or what is going to happen. In my section of the country we are being asked to take certain action that will at least stabilize the price and let the mills know what they can depend upon.

They do not know, with this tremendous surplus on hand and no effort on the part of the Government to relieve them or to impound the surplus, but what the price may go down to 4 or 5 cents. Consequently orders are being canceled and warehouses are being stacked up with goods and the mill hands are being turned off, and yet in the face of that tragedy, in the face of an honest effort on our part to relieve the situation without going into the Federal Government, it becomes a joke.

Mr. President, here is an opportunity for us to do an immediate service to a great section of our people who have held the balance of trade in favor of the United States for 70 years.

The sale of cotton abroad has always kept the balance of trade favorable to the United States, and yet because it happens to be beyond that border line in the South it is considered a joke.

If wheat was in this condition and the wheat people were to say, "We can take 200,000,000 bushels of wheat off the market without any cost to the Government and it will help us," does anyone think I would not vote for it? But the minute we mention the South—I hate to mention that again—it angers me when I see the indifference of this body toward the producers of cotton, and only an effort made to apply all the technicalities possible, when our proposal involves nothing more than a helping hand without any actual cash outlay on the part of the Government.

Mr. BANKHEAD. Mr. President, I look upon the amendment offered by the Senator from South Carolina [Mr. SMITH] as holding out the best assurance of help to the distressed cotton growers of anything else contained in the bill. The principle underlying his proposal harks back to the days of the McNary-Haugen bill and is based upon the same fundamental principle that secured the approval of both Houses of Congress twice but each time fell under the hand of the veto of President Hoover.

The underlying principle in that program, which was fought out and discussed and considered throughout the country, was the purchase of nonperishable exportable commodities, taking them out of the market when the market was unduly depressed with a burdensome surplus. The method of financing was by an equalization fee which to be levied upon the farm commodities and the money used for buying those commodities out of the market. President Coolidge maintained that that would be unconstitutional and unauthorized, and vetoed the measure.

The difference involved here is one of financing—not the principle of buying surpluses under proper conditions to protect the welfare of great areas of the country and large elements of our population. The difference is the method of financing. Instead of an equalization fee, it is proposed here to buy the cotton out of the market. It has been explained that in conferences with Mr. Jesse Jones, President of the R. F. C., a man whose financial talent, resourcefulness, soundness, and success in the handling of Government money has been amply tested and proven, Mr. Jones laid down to representatives of the cotton States the principle that this matter could be financed without expense to the Government.

Cotton is considered a good, safe security. It can be held indefinitely. The time can be bided until market conditions are satisfactory, and ultimately the money can be gotten out of it safely. The banks are anxious to carry loans upon cotton. There are probably 4,000,000 or 5,000,000 bales of cotton under the 9-cent loan, most of which is carried by the banks. No money is sought from the Federal Treasury.

What would be the financial result to the Government? Let us look at this thing seriously and as businessmen because it involves suffering and desperate people by the millions. Here was the most unexpected surplus from a 2-years' crop, with the consumption both at home and abroad decreased, with market demands for that cotton diminished, with the cotton mills slowing down everywhere, so that instead of getting better, our situation is getting worse. Can we take a sufficient quantity of that cotton off the market to relieve the situation without at the same time bringing improper burdens upon the Federal Treasury? The money is available.

How will the matter operate? I submit that the Government, instead of being at an expense, will make money out of the transaction. In the first place, we buy in the market with prices at the lowest. As the price goes up, whatever cotton is bought at a lower price gives the Government a profit. The average finally will give the Government the profit upon half of its purchases.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BANKHEAD. I yield.

Mr. NORRIS. How long does the Senator estimate the Government would have to hold the cotton before it would be possible to sell it on the market?

Mr. BANKHEAD. I am glad the Senator asked the question. It is a proper question. It is a necessary consideration in determining the status of the Government from the financial standpoint.

I want the Senator to bear in mind that we are in a different situation, assuming the passage of the bill, than were the wheat or cotton growers during the days of the Federal Farm Board. There an attractive price was fixed. Loans were made on cotton, I think, at 18 cents a pound. I do not know how high wheat was.

At any rate an attractive price was fixed. I never condemned the Farm Board. I thought they acted as best they could on the formula given them by Congress. At any rate, they undertook that stabilizing transaction with no power to regulate or control in any way the quantity of the commodity to be produced and tendered to them or upon the markets at the price fixed by the Farm Board.

Here we have a straight compulsory regulation, so far as cotton is concerned, which presents an entirely different situation. It is within the power of the Government itself to fix the size of the crop so that if the Government next year will reduce the size of the crop, as we have all frankly and openly talked about doing, to around 10,000,000 bales, and assuming a 13,000,000-bale consumption, that would take 3,000,000 bales the first year out of the surplus or carry-over. Assuming the same transaction for 2 years we would have taken 6,000,000 bales out of the surplus and would have brought the carry-over down to around 7,000,000 bales, so that the burdensome carry-over will have disappeared and the Government still would be in a position to continue control and adjust the supply so as to feed the cotton into the market.

I think 2 or 3 years will close it up notwithstanding the present great depressing surplus.

Mr. NORRIS. Suppose it takes 6 years; how much interest will the banks have to have?

Mr. BANKHEAD. There is a profit. That is one of the items of profit for the Government.

Mr. NORRIS. The Government is not going to put up the money?

Mr. BANKHEAD. The banks are going to put it up.

Mr. NORRIS. They must have interest; must they not?

Mr. BANKHEAD. The Commodity Credit Corporation enters a charge against the cotton of 4 percent interest. The banks take it at 2½ percent interest or less.

Mr. NORRIS. How much will it cost to store and insure it in the meantime?

Mr. BANKHEAD. There is pretty cheap storage now.

Mr. GEORGE. Mr. President—

Mr. BANKHEAD. I yield to the Senator from Georgia.

Mr. GEORGE. I may suggest to the Senator from Alabama that the Commodity Credit Corporation is now carrying the cotton on an average of about 15 cents per bale per month. That includes storage and insurance. The price has varied from approximately 25 cents a bale per month to approximately 15 cents per bale per month.

Mr. BANKHEAD. That, of course, is a very low carrying charge. As I said, they get the difference in the interest charged the farmers who have the cotton under loan, but these purchases will not be under loan. It will simply be a straight carrying charge with the interest at 2½ percent or less per annum. The banks are carrying the cotton tendered them and are delighted to get it.

There is another consideration about which we should think from the Government standpoint.

One consideration is the loss they now have upon the 9-cent loans. The present farm price of cotton is below 8 cents, as it is in the interior markets, where the cotton is stored, so there is a loss of at least \$5 a bale on every

bale of cotton. There are probably five or six million bales of cotton under the loan. If the price of cotton is not put up above 9 cents, plus the carrying charges, then the Government will have a loss on that large quantity of cotton, because the loans are nonrecourse loans, and there is a possibility of loss of the interest and the carrying charges, together with the spread between the market price, now below 8 cents, and 9 cents a pound. So it is to the financial interest of the Government to take a sufficient quantity out of this carry-over, or surplus, to help bring the price up so that in the market the cotton under loan will bring at least the amount of the outlay the Government has on account of it.

There is one other consideration from the standpoint of the Government; that is the situation with reference to the adjustment payments, the 3-cent payments, or the spread between 12 cents and the average price on the 10 spot markets.

If the price of cotton is run up anywhere above 9 cents a pound, the Government will save money in its adjustment payments. They have agreed to pay the difference. Twelve cents is the ceiling, 9 cents the lowest figure. The difference, therefore, is 3 cents a pound. It is commonly spoken of as the 3-cent adjustment payment, which Congress authorized at the last session.

If the price of cotton is raised to 10 cents a pound, the Government will save the difference between 9 cents and 10 cents on each bale of cotton in the adjustment payment plan, or \$5 a bale. So there would be a profit to the Government on the adjustment payments; there would be saved the loss on the five or six million bales under the loan; there would be the profit on the cotton the Government buys at the lower rate, and there would be the difference in interest which the Government earns.

I submit, Mr. President, that this is the one opportunity to render a great and helpful service in this matter, and upon a sound principle. I think it ought to be established as a permanent program, just as was sought to be done under the McNary-Haugen bill. I think the rule ought to be established. There never has been a better opportunity on earth to fairly and squarely and honestly adjust it, because the power is turned over to the Government to adjust the supply, to regulate and control, through the national marketing quota, the volume of cotton to be put on the market each year, and in that way to protect the Government until it shall have disposed of the cotton which it is contemplated taking under this purchase program.

Mr. President, I hope, therefore, that the Senate will see its way clear to give us this opportunity to work the matter out, let the measure go to conference under the wise amendment offered by the Senator from Louisiana, and give us an opportunity to see if we cannot work it out in some way. I think it is already well worked out for the protection of the Government, and we can work it out in any other way that may seem wise.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McKELLAR. Mr. President, I wish to ask the Senator from Alabama a question about the amendment of the Senator from Louisiana on page 3, where it is proposed to strike out the words "purchase cotton" and strike out the words "in the open market and" and substituting the words "from producers of cotton."

Mr. OVERTON. Mr. President, the Senator has misread the amendment. I propose to strike out no words at all. On line 3, after the word "cotton", I propose to insert the words "from producers of cotton", so that the purchases will be made from producers of cotton.

Mr. McKELLAR. The effect would be the same.

Mr. BANKHEAD. I understand that.

Mr. McKELLAR. I should like to have the opinion of the Senator from Alabama about this particular amendment. I think it is an excellent amendment, and I think there is enough cotton in the hands of the producers at the present time, or in their control, so that it is possible for the Gov-

ernment to buy 6,000,000 bales from them. I hope the amendment will be accepted.

Mr. OVERTON. From all sources of information it appears that there is undoubtedly a very large quantity of cotton in the hands of the producers. It has not gone into the channels of trade, as the cotton trade frankly say, because of the disgustingly low price. Much of it has not gone out of the cotton loan. The farmers are just sitting waiting, they are in distress, they are in consternation and confusion, and they are holding very, very large quantities of cotton according to all information that comes to all of us who are connected in an intimate way with the cotton situation, waiting for some possible chance.

Mr. BORAH. Mr. President, I should like to ask whether the amendment offered by the Senator from Louisiana is satisfactory to the proponents of the bill?

Mr. SMITH. Mr. President, there seems to be some misapprehension, as I am sponsoring the amendment. I will be very glad to accept the amendment so as to leave the purchasers of this cotton personally to exhaust the supply from the producers.

Mr. BANKHEAD. Mr. President, I hope the Senate will let this matter go to conference.

Mr. McNARY. Mr. President, I suggested an amendment a few moments ago, but I was thwarted by the fact that the Senator from Louisiana had proposed an amendment. I now understand that his amendment has not been accepted, so I think the one I shall now propose will be in order. I propound that as a parliamentary inquiry.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). The amendment of the Senator from Oregon would be in order.

Mr. McNARY. After the word "President" and the period, on line 11, I suggest the insertion of the words "also the Commodity Credit Corporation is hereby authorized and directed to proceed immediately to purchase 30,000,000 bushels of Pacific Northwest white wheat, to be disposed of according to rules and regulations promulgated by the Secretary of Agriculture."

Mr. SMITH. Mr. President, will the Senator yield?

Mr. McNARY. I shall be very happy to yield, but at the proper time.

In support of this proposal I hark back to the telegram I had read a few moments ago from some of the wheat growers in the great fertile region of the Pacific Northwest.

I now yield to the Senator from South Carolina.

Mr. SMITH. Mr. President, I will be very glad to accept the amendment if my friend the Senator from Oregon feels that the wheat people are in as dire distress as are the cotton people. I shall be delighted to accept it.

Mr. McNARY. I can frankly say that I think they are very much worse off than are the cotton producers. I am not asking the amiable Senator to accept my amendment. I propose it and we will let it take the usual course.

Mr. MCGILL. Mr. President, will the Senator from Oregon yield to me?

Mr. McNARY. I yield.

Mr. MCGILL. Does the Senator from Oregon provide in his amendment a minimum price at which the wheat may be sold after it is purchased?

Mr. McNARY. No; I am leaving that, as in the pending bill, to the great judgment, the insuperable judgment, the immaculate judgment, of the Secretary of Agriculture.

Mr. MCGILL. If the Senator from Oregon does not have a minimum price provided at which the wheat could be sold, would not his proposal necessarily have the effect of depressing the market after the wheat had been purchased, if it were salable at any time at any price?

Mr. McNARY. No, Mr. President. The Senator from Oregon well remembers, and I think the Senator from Kansas will when I refer to it, that the white wheat is soft wheat, out of which are made pies and cakes, the bulk of which are disposed of west of the Rocky Mountains and in the oriental countries, and it does not come in competition with the hard wheat of Kansas and the eastern regions. So I assure the

Senator from Kansas that this is not competitive in any way. It is just in line with the proposal made by the Senator from South Carolina.

Mr. McGILL. Mr. President, when the amendment of the Senator from South Carolina was first printed and placed on the desks of Senators, it occurred to me that there was just as much logic in purchasing surplus wheat, thereby attempting to raise the market price of wheat at this time, as there would be in purchasing a quantity of the surplus cotton. After I deliberated upon the matter and had prepared an amendment to be proposed to the amendment of the Senator from South Carolina, I arrived at the conclusion that such purchase of wheat would be unwise. In my judgment we would do nothing more nor less than contribute to an increase to whatever surplus might exist at the beginning of the next marketing year. I think that would be the effect not only at that time with regard to wheat but that the Senator's proposal to buy cotton will have the same effect on that commodity.

In addition to that, in my judgment the holding of wheat in the hands of this corporation, to be disposed of at any time or holding cotton in the hands of the corporation to be disposed of at the discretion of the President, in whose judgment I have as much confidence as anyone here, would have a depressing effect on market prices from the time the amendment was adopted and the commodity purchased.

I cannot support either proposal. I cannot support the proposal of the Senator from South Carolina, as much as I should like to do so, since he has earnestly advocated its adoption. I certainly cannot support the proposal of the Senator from Oregon, which would place wheat in the hands of this corporation to be subject to sale at any time at any price, and which would continuously have the effect of depressing market prices.

I hope the Senate will see fit to reject not only the amendment proposed by the Senator from Oregon but also the amendment proposed by the Senator from South Carolina.

Mr. HATCH. Mr. President, I am opposed to the amendment offered by the Senator from Oregon. In the State of New Mexico considerable wheat and some cotton are raised. The conditions of the wheat market are altogether different from those in the cotton market today. It may be that if we have a large wheat crop next year the wheat farmers of the Nation will be here asking for exactly the same relief that is being sought by the cotton farmers today, and at that time it might be proper to take some such action as is proposed, but it certainly is not proper now, in my opinion, to include wheat in the amendment.

Mr. President, I see an altogether different situation as to cotton.

I shall not go into the arguments that have been advanced here throughout the course of the debate on this bill. Neither shall I restate conditions in the cotton industry, which have been so graphically portrayed here throughout the various days of this debate. But everyone who knows anything at all about cotton knows that today cotton cannot be sold for what it cost to produce it. That, Mr. President, is the big difference between the situation in cotton and wheat and any other grain. Cotton cannot bring to the producer that which it has cost him to make the crop today.

Mr. President, we are establishing and we have all talked about the ever-normal-granary plan. We have said what a wonderful thing it is. It has been extolled on both sides of this Chamber. It has been stated that whenever any agricultural commodity is below the cost of production, the Government should aid the farmer in storing up the excess supply, so that it should not be a weight and burden on the market to drag down the prices of commodities which are necessary for our consumption.

The Secretary of Agriculture favors the ever-normal-granary plan; and I ask Senators seriously—not laughingly or jokingly, but I ask them seriously—when would there ever be a better time to start the ever-normal granary with respect to cotton than now, today, at this time?

The simple amendment offered by the Senator from South Carolina does that very thing. It takes 6,000,000 bales of

cotton out of the market and puts it in an ever-normal granary, where it can be stored and kept until this excess supply is done away with, and then it can be gradually worked into consumption without loss to the Government and with profit to the producer.

Is there anything extreme or radical about that proposition? If Senators believe in an ever-normal-granary plan, they believe in it now for cotton. That, Mr. President, is, in substance, what I think about this amendment. If we believe in the philosophy of this bill at all, we believe in this amendment. If we do not believe in the amendment, we do not believe in the philosophy of the bill.

Mr. President, so far as I myself am concerned, I want to say that I do not believe fundamentally in the philosophy of curtailment and controlled production; but I recognize that extreme times come upon us, times of emergency, when the only way we can meet the emergency is by adopting some drastic provision which we might not be willing to adopt as a permanent proposition. So far as cotton is concerned, I repeat that anyone who knows anything at all about cotton knows that that emergency exists now, and justification exists for adopting a program of curtailment to meet the emergency in which we now are.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BARKLEY. What effect would the adoption of the amendment as it is now drawn, and its administration to the extent of purchasing the 6,000,000 bales, have upon the necessity for making loans in the future upon surpluses that may occur in future crops?

Mr. HATCH. I think it possibly would have the effect of doing away with that necessity in the future.

Mr. BARKLEY. It occurred to me that that might be the result if the amount of cotton provided for in the amendment as it is now before the Senate should be agreed to. That does offer in my mind some mitigation of whatever other defects might possibly be attached to it.

Mr. HATCH. Let me say something else about the amendment and concerning the plan upon which we are embarking. We might just as well speak frankly, for all of us should at least understand the situation.

We are saying to the cotton farmer that it is going to be necessary to reduce his acreage next year, not only substantially but perhaps as much as 35 or 45 percent. The thing we are offering to the cotton farmer is that reducing his acreage will bring him a better price. That is all that the cotton farmer is going to get out of it.

The reason I say that that is all, Mr. President, is that if Senators have made any study of the moneys which will be available under this bill they will see that the parity payment, or the payment on parity, will be so small that the only substantial return the cotton producer can get will be in an advance in price. I say that unless this amendment is adopted, or some similar plan is evolved by which this excessive supply can be removed from the market, the curtailment program itself will fail next year, because the surplus next year will still be so great that the price of cotton is bound to be down, and down perhaps even lower than it is today, and all of our work and all of our efforts will be a complete failure unless something is done to take that dead weight off the market.

Mr. President, the advantage of this proposal over the old Federal Farm Loan Board is simply that we have a limit fixed here beyond which the cotton will not be sold. The cotton is removed, and the trade knows that it is removed. It will not come back on the market until it reaches 12 cents a pound. That is the limitation that makes the plan a success. That plan operates in connection with the curtailment program. It takes them both to be successful. If we take away either, the other necessarily fails. That is the reason why I began, Mr. President, by saying that this amendment should be considered in all seriousness if Senators believe at all in the principles of this measure.

Mr. BORAH. Mr. President, I am not sure but that I have spoken already on this amendment.

The PRESIDING OFFICER. The Senator from Idaho has not spoken on the amendment. The Senator is recognized for 15 minutes.

Mr. BORAH. Mr. President, I was hopeful that the amendment offered by the Senator from South Carolina might be voted upon on its own merits. I should not want to vote for the wheat amendment for the reason that with no price fixed at which the wheat will be disposed of it will necessarily depress the market.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. McNARY. My attention is called to the fact that I overlooked a matter in connection with my amendment to the amendment of the Senator from South Carolina. I desire to perfect my amendment. After the words "disposed of" I wish to insert "at not less than the parity price therefor," which gives the commodity a price which will probably stabilize the market and meet the conditions of this bill.

Mr. BORAH. Not less than what?

Mr. McNARY. Parity price.

The PRESIDING OFFICER. The Senator from Oregon has the right to modify his amendment, and it will be modified accordingly.

Mr. BORAH. Mr. President, I am sorry to say that I am still opposed to the wheat amendment. I should like to have a vote singly on the cotton amendment. I think cotton is in a different situation. A different program may be adopted with reference to it than with reference to almost any other commodity.

Mr. President, the Senator from South Carolina [Mr. SMITH] sometime ago was of the opinion that this proposal had met with derision. I do not think so. I think he entirely misinterpreted the situation. The only thing we were interested to know was how the proposition could be floated without an actual outlay from the Government. I am now advised that Mr. Jones states that it can be financed, the program can be carried through, without a dollar's expenditure by the Government. If that is the statement of Mr. Jones, and it is made here upon the floor as his statement, so far as I am concerned I am willing to follow Mr. Jones in this matter; but I do not want to vote on the amendment with the wheat proposal tied to it.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. HATCH. In fairness to the Senator from Idaho, I think he should know what Mr. Jones' views are. If I am wrong, I shall ask to be corrected. Mr. Jones did state substantially what has been said here tonight about finances; but the opinion of Mr. Jones was that the Government should continue buying only until cotton reached 10 cents a pound. Did he not say that?

Mr. SMITH. He said he thought perhaps that would be the better figure. We were of the opinion that as the Government had already committed itself to 12 cents, it would be safer to put the figure at 12 cents.

Mr. HATCH. I realize that that is the opinion of the Senator from South Carolina; but in view of the fact that Mr. Jones' thought has been expressed here, I thought it only fair that the complete statement should be made. I myself believe that it would be better to follow Mr. Jones' advice and stop purchasing cotton when it reaches 10 cents a pound. I think I shall offer an amendment to change the 12 cents to 10 cents. I think in many ways it would be more advantageous. However, there is an amendment pending, and I cannot offer the amendment now; but I make that suggestion.

Mr. SMITH. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. SMITH. The Senator confirms the statement that Mr. Jones said he could finance this transaction without taking money out of the Treasury?

Mr. HATCH. Absolutely.

Mr. BORAH. Mr. President, I have said all I desire to say. My regret is, and I repeat it, that the cotton amendment cannot be permitted to be voted on by the Senate singly.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oregon [Mr. McNARY] to the amendment offered by the Senator from South Carolina [Mr. SMITH]. [Putting the question.] The yeas seem to have it.

Mr. McNARY. Mr. President, I ask for a division. I ask also that the names of those rising on either side of the question shall be recorded.

The PRESIDING OFFICER. The Chair is not advised of any such parliamentary procedure.

Mr. McNARY. That is a procedure which has been invoked here on several occasions. Otherwise, I shall have to call for the yeas and nays.

The PRESIDING OFFICER. The Senator from Oregon has the right to demand the yeas and nays.

Mr. McNARY. Then I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KING. Mr. President, I shall vote for the amendment offered by the Senator from Oregon, though not because I believe in the policy if it were adopted, for I should then vote against the amendment of the Senator from South Carolina, which would include the cotton proposition. In other words, I am opposed to this whole policy. I am opposed to having the Federal Government project itself into the cotton or wheat fields for the purpose of purchasing either cotton or wheat or other commodities; but if we are to have cotton purchased, there is no reason why we should not have wheat purchased.

I shall vote for the Senator's amendment; but, then, if the amendment is adopted, I shall vote against the entire amendment which has been offered by the Senator from South Carolina.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand that if he were present and voting he would vote as I am about to vote. I therefore feel at liberty to vote, and vote "nay."

The roll call was concluded.

Mr. BYRD. I announce the general pair of the Senator from Virginia [Mr. GLASS] with the Senator from Minnesota [Mr. SHIPSTEAD].

Mr. MINTON. I announce the general pair of the Senator from Rhode Island [Mr. GREEN] with the Senator from Kansas [Mr. CAPPER].

The Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from New Hampshire [Mr. BROWN], the Senator from South Dakota [Mr. BULOW], the Senator from Nebraska [Mr. BURKE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from Connecticut [Mr. LONERGAN], the Senator from California [Mr. McADOO], the Senator from Arkansas [Mr. MILLER], the Senator from New Jersey [Mr. MOORE], the Senator from Florida [Mr. PEPPER], the Senator from Nevada [Mr. PITTMAN], the Senator from Washington [Mr. SCHWELLENBACH], the Senator from New Jersey [Mr. SMATHERS], the Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are unavoidably detained from the Senate.

The result was announced—yeas 19, nays 48, as follows:

| YEAS—19 | | | |
|---------------|-----------------|----------------|---------------|
| Austin | Hale | Lundeen | Overton |
| Bankhead | Harrison | McKellar | Smith |
| Berry | Hitchcock | McNary | Steilwer |
| Bridges | King | Murray | Van Nuys |
| Frazier | Lee | Nye | |
| NAYS—48 | | | |
| Adams | Connally | Hayden | Pope |
| Andrews | Copeland | Herring | Radcliffe |
| Ashurst | Davis | Johnson, Colo. | Reynolds |
| Barkley | Dieterich | La Follette | Russell |
| Bilbo | Duffy | Lodge | Schwartz |
| Bone | Ellender | McCarran | Sheppard |
| Borah | George | McGill | Thomas, Utah |
| Brown, Mich. | Gerry | Maloney | Townsend |
| Bulkeley | Gibson | Minton | Truman |
| Byrd | Graves | Neely | Vandenberg |
| Byrnes | Guffey | Norris | Wagner |
| Chavez | Hatch | O'Mahoney | Walsh |
| NOT VOTING—29 | | | |
| Bailey | Gillette | Loneragan | Smathers |
| Brown, N. H. | Glass | McAdoo | Thomas, Okla. |
| Bulow | Green | Miller | Tydings |
| Burke | Holt | Moore | Wheeler |
| Capper | Hughes | Pepper | White |
| Caraway | Johnson, Calif. | Pittman | |
| Clark | Lewis | Schwollenbach | |
| Donahay | Logan | Shipstead | |

So Mr. McNARY's amendment to Mr. SMITH's amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from South Carolina [Mr. SMITH].

Mr. NORRIS. On that I call for the yeas and nays.

Mr. LEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state his parliamentary inquiry.

Mr. LEE. I understood that an amendment was offered by the Senator from Louisiana [Mr. OVERTON] to the amendment of the Senator from South Carolina.

The PRESIDING OFFICER. The Chair will state that that amendment has been adopted and has become a part of the original amendment.

Mr. HATCH. Mr. President, in line 6 of the amendment, I move to strike out the figures "12" and substitute the figures "10", so as to read "10 cents per pound", instead of "12 cents per pound."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico to the amendment offered by the Senator from South Carolina.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. SMITH], as amended.

Mr. TRUMAN. Mr. President, is the amendment of the Senator from South Carolina still open to amendment?

The PRESIDING OFFICER. It is.

Mr. TRUMAN. I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Missouri to the amendment offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. At the proper place in the amendment it is proposed to insert the following:

One hundred million pounds of copper to be purchased at 8 cents per pound and not to be sold for less than 10 cents per pound; 15,000,000 pounds of lead to be purchased at 6 cents per pound and not to be sold for less than 7 cents per pound; 100,000,000 bushels of wheat to be bought at \$1.25 and not to be sold for less than \$1.50 per bushel; 500,000,000 bushels of corn to be bought for 75 cents per bushel and not to be sold for less than \$1 per bushel if the 1938 corn crop exceeds 2,500,000,000 bushels; 2,000,000 pounds of cheese at 19 cents and not to be sold for less than 25 cents; 2,000,000 pounds of butter at 20 cents and not to be sold for less than 30 cents per pound; 750,000,000 board feet of Douglas fir lumber at not less than \$25 per thousand board feet and not to be sold at less than \$27.50; 8,000 carloads of apples at \$1,000 per car and not to be sold for less than \$2,000 per car; 100,000 cases of

Wisconsin peas at 83 cents and not to be sold for less than \$1.50 per case; 10,000,000 pounds of wool at 40 cents to be sold at not less than 50 cents per pound.

[Laughter.]

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri to the amendment offered by the Senator from South Carolina.

Mr. SMITH. Mr. President, I hope all those who care to do so will enjoy to the fullest this glorious piece of wit in the face of the terrific condition that exists outside of the Senate Chamber. We have been here for a month trying to relieve what is called the distressed condition of the farmer; and now this absurd effort is made to ridicule a condition which, if we individually had to face it, would be another proposition!

Go out into the regions where the farmers make this stuff—with their bare homes, with their scanty provisions—and then, if you want to do so, make it a laughingstock. Yes; if those of you who sit in the galleries and those of you who are on the floor of the Senate think the condition we are trying to remedy by this bill, and specifically by the amendment I have proposed, goes to the heart of one of the tragic things with which we are confronted, go on record, if you want to do so, as being in a hilarious frame of mind over this tragedy, as ridiculing the distress of the man whose home is to be sold, to whose home Santa Claus will not come, whose feet are on the bare ground. Yet it is all a mere joke, and you show your amusement by proposing to buy lead and copper and zinc!

Mr. TRUMAN. Mr. President, the wheat farmers and the corn farmers and the cattle growers and the men who produce lead and zinc and copper are in exactly the same condition as those who raise cotton. If the Senator from South Carolina wants to buy this cotton which is now in the hands of the cotton speculators, it is just as sane and sound to buy the things I have asked to have added to his amendment.

Mr. SMITH. Then why, in the name of Heaven, did not the Senator include them in the bill?

Mr. TRUMAN. I do not think it ought to be done, and I am going to vote against the amendment and against my own proposal as well.

Mr. SMITH. Mr. President, I just want to register my protest against the Senate of the United States making a joke of the tragedy that confronts those who have kept the Senate here for a month trying to frame a bill to bring about relief. If you want to scrap the whole thing, if you want to say to the farmers, "We will build up tariff walls and protect industry," if you want to say to the relief people, "We will pour out a billion five hundred million dollars for relief, but we will just make a joke of you who feed and clothe the Nation," I would to God that the farmers were organized as labor is organized!

Mr. TRUMAN, Mr. BRIDGES (and other Senators) addressed the Chair.

The VICE PRESIDENT. Does the Senator from South Carolina yield; and if so, to whom?

Mr. SMITH. I yield to the Senator from Missouri.

Mr. TRUMAN. I am just as much interested in the cotton farmer as is the able Senator from South Carolina.

Mr. SMITH. Well, the Senator has a very poor way of demonstrating it.

Mr. TRUMAN. We raise cotton in Missouri just as well as it is raised in South Carolina, and we raise a little bit more of it to the acre. We are doing everything we possibly can in this bill for cotton, and I want to go just as far as I can; but I think you are going too far with it.

Mr. BRIDGES. Mr. President, will the Senator from South Carolina yield?

Mr. SMITH. Yes; I yield.

Mr. BRIDGES. Does the Senator think it is any more of a crime to buy cheese and thereby help out the dairy farmer than it is to buy some other commodity?

Mr. SMITH. Well, if I may judge from the character of the men that I see here, I think perhaps we might substitute cheese for some heads to the great benefit of the Senate. [Laughter.] But, be that as it may, here we have a specific proposition, and one that has been shown to be very practical in its solution; and yet the weapon of ridicule is invoked. So far as I am concerned, it is a matter of unspeakable humiliation to think that the people I represent are not shown more respect than this body is evidencing tonight.

Mr. KING. Mr. President, will the Senator permit a question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. SMITH. I yield.

Mr. KING. As I understand, the proposal now before us came from the floor of the Senate and not from the committee.

Mr. SMITH. No; the proposal came from a body of men who got together, those of us who were trying to solve the cotton problem.

Mr. KING. Why was it not brought to the attention of the committee? Why was it not reported as a part of the bill if it is so important?

Mr. SMITH. The reason for that was that we were trying to devise some means by which the situation could be relieved, and this method occurred to some of us, so we got together and fashioned the proposal. We called in Mr. Jesse Jones and got his advice before we submitted it.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Missouri to the amendment of the Senator from South Carolina.

Mr. ASHURST. Mr. President, of course merriment naturally ensued upon the reading of the amendment submitted by the able Senator from Missouri [Mr. TRUMAN], but no merriment came from me or my colleague when we heard read the proposal to purchase 100,000,000 pounds of copper. Had I evidenced any merriment upon that proposition the constituency which I in part represent would have rebuked me in a way that I would remember.

Arizona produces one-sixth of the copper of the world. Fifty percent of all the taxes paid in Arizona are paid by the copper industry. Fifty-two percent of all the wages paid in Arizona are paid by the copper industry. If it be right and just and proper to valorize and fix the prices of wheat and other commodities, it is right and just and proper to fix the price of and valorize copper. The copper industry of Arizona does not want a bounty, a gift, a grant out of the Federal Treasury. That industry asks no money from the Federal Treasury.

The copper smelters in Arizona which are treating copper ores are now reducing their forces. The copper mines are reducing their forces. The distress and the misery so eloquently depicted by the able senior Senator from South Carolina [Mr. SMITH] may be duplicated in the copper-producing States. All that the copper miners have ever asked, all that the copper producers have ever asked, is a protective tariff on copper. Give the copper industry a protective tariff on copper and that industry will not ask the United States for a penny in the way of relief. But, unfortunately, such a tariff has been denied. I said here in 1930, in 1932, and in 1934, give this industry a protective tariff on copper and it will not ask relief.

It may be said that in urging a tariff on copper imported into the United States I have abandoned the Democratic Party. Not at all. I say for the tenth time on the floor of the Senate that the protective-tariff system did not originate with the Republican Party. It originated with James Madison, Thomas Jefferson, and Andrew Jackson. When the Arizona Senators urge a tariff on copper or any other commodity, they are standing on the early fundamental principle of the Democratic Party.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Missouri to the amendment of the Senator from South Carolina.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from South Carolina as amended.

Mr. DUFFY. Let us have the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand if he were present he would vote "yea." If I were permitted to vote, I should vote "nay."

Mr. BARKLEY. The Senator from Arkansas [Mrs. CARAWAY] is paired with the Senator from Maryland [Mr. TYDINGS]. If present, the Senator from Arkansas [Mrs. CARAWAY] would vote "yea," and the Senator from Maryland [Mr. TYDINGS] would vote "nay."

The Senator from South Dakota [Mr. BULOW] has a general pair with the Senator from Kansas [Mr. CAPPER], and the Senator from Virginia [Mr. GLASS] has a general pair with the Senator from Minnesota [Mr. SHIPSTEAD].

If present, the Senator from Illinois [Mr. LEWIS] and the Senator from Rhode Island [Mr. GREEN] would vote "nay."

The Senator from Delaware [Mr. HUGHES] is detained from the Senate by illness.

The following-named Senators are unavoidably detained:

The Senator from North Carolina [Mr. BAILEY], the Senator from New Hampshire [Mr. BROWN], the Senator from South Dakota [Mr. BULOW], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from Connecticut [Mr. LONERGAN], the Senator from California [Mr. McADOO], the Senator from Arkansas [Mr. MILLER], the Senator from Indiana [Mr. MINTON], the Senator from New Jersey [Mr. MOORE], the Senator from Florida [Mr. PEPPER], the Senator from Nevada [Mr. PITTMAN], the Senator from Washington [Mr. SCHWELLENBACH], the Senator from New Jersey [Mr. SMATHERS], the Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], and the Senator from Montana [Mr. WHEELER].

The result was announced—yeas 26, nays 39, as follows:

YEAS—26

| | | | |
|----------|----------|----------|----------|
| Andrews | Byrnes | Hatch | Overton |
| Ashurst | Connally | Hayden | Reynolds |
| Bankhead | Ellender | Lee | Russell |
| Barkley | Frazier | Lundeen | Sheppard |
| Berry | George | McCarran | Smith |
| Blibo | Graves | McKellar | |
| Borah | Harrison | Murray | |

NAYS—39

| | | | |
|--------------|----------------|-------------|--------------|
| Adams | Dieterich | La Follette | Radcliffe |
| Austin | Duffy | Lodge | Schwartz |
| Bone | Gerry | McGill | Steiger |
| Bridges | Gibson | McNary | Thomas, Utah |
| Brown, Mich. | Guffey | Maloney | Townsend |
| Bulkeley | Hale | Neely | Truman |
| Burke | Herring | Norris | Vandenberg |
| Byrd | Hitchcock | Nye | Van Nuys |
| Chavez | Johnson, Colo. | O'Mahoney | Walsh |
| Copeland | King | Pope | |

NOT VOTING—31

| | | | |
|--------------|-----------------|---------------|---------------|
| Bailey | Gillette | Loneragan | Shipstead |
| Brown, N. H. | Glass | McAdoo | Smathers |
| Bulow | Green | Miller | Thomas, Okla. |
| Capper | Holt | Minton | Tydings |
| Caraway | Hughes | Moore | Wagner |
| Clark | Johnson, Calif. | Pepper | Wheeler |
| Davis | Lewis | Pittman | White |
| Donahey | Logan | Schwellenbach | |

So Mr. SMITH's amendment, as amended, was rejected.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the order which I send to the desk may be entered.

The VICE PRESIDENT. The clerk will read, as requested. The Chief Clerk read as follows:

Ordered, by unanimous consent, That beginning at the hour of 3 o'clock p. m. on tomorrow, December 17, 1937, no Senator shall speak more than once or longer than 5 minutes on the pending bill, any amendment to or substitute therefor, motion to recom-

mit, or other amendment affecting the final disposition of the measure.

The VICE PRESIDENT. Is there objection?

Mr. FRAZIER. Mr. President—

The VICE PRESIDENT. Is there objection?

Mr. FRAZIER. Yes; there is objection.

Mr. BARKLEY. Mr. President, may I ask the Senator—

Mr. FRAZIER. I should like to make a statement first.

Mr. BARKLEY. Very well.

Mr. FRAZIER. The Senator from California [Mr. McAdoo] offered a substitute for the bill sometime ago. It contains what is known as the cost-of-production provision for the amount of products used for home consumption.

Under the rules of the Senate a substitute of that kind cannot be offered formally until all the amendments are disposed of. A unanimous-consent agreement of this kind would jockey out of the picture any Senator who wanted to offer or discuss a substitute, if he wants to have any discussion of it. I know of four or five Senators who want to discuss the substitute which the Senator from California desires to offer.

Mr. BARKLEY. Mr. President, after the Senate recessed this afternoon the Senator from California [Mr. McAdoo], who is unavoidably detained tonight, told me that whatever unanimous-consent agreement I sought this evening would be satisfactory to him. I assured him that if the agreement should be entered into I would assist him in obtaining recognition before 3 o'clock tomorrow so he might have more time on the substitute which he would later offer. I am satisfied this arrangement will be satisfactory to him. It is also satisfactory to the Senator from Oklahoma [Mr. LEE], who intends to offer a substitute.

Mr. FRAZIER. Mr. President, I think four or five or more Senators intend to speak on the McAdoo substitute, and I, myself, should like to speak on it for a few minutes. I cannot agree to the unanimous-consent agreement which has been offered.

The VICE PRESIDENT. Objection is heard.

Mr. MCGILL. Mr. President, I send an amendment to the desk which I should like to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 30, line 15, after the word "Secretary", it is proposed to strike out the following:

Any farmer failing to furnish such proofs in the manner and within the time provided shall be guilty of a misdemeanor and upon conviction thereof be subject to a fine of not more than \$100.

Mr. MCGILL. Mr. President, the amendment strikes out the penalty proposed to be imposed on any farmer. The section originally provided that the farmer should furnish his reports to the Secretary of Agriculture and provided a penalty of \$100 fine in the event the reports were not supplied. The amendment I offer strikes out the penalty feature of the section.

Mr. BORAH. What page is that?

Mr. MCGILL. Page 30, line 15, after the word "Secretary," to strike out the balance of the paragraph.

Mr. BORAH. Very well. I am in favor of it.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MCGILL. Mr. President, I move to amend, on page 30, line 8, by striking out "\$1,000" and inserting in lieu thereof "\$500."

The amendment was agreed to.

Mr. MURRAY. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 18, line 22, before the period, it is proposed to insert a comma and the words:

and in no event shall the percentage of the acreage to be diverted from the production of any type of wheat be so great that, upon the basis of the normal yield of the acreage planted to such type

of wheat, the total supply of such type of wheat for such marketing year is likely to be less than the requirements for the domestic consumption of such type of wheat during such marketing year.

On page 25, line 17, after the period, to insert the following new sentence:

In no event shall the marketing quota applicable to any type of wheat be less than the requirements for market for domestic consumption of such type of wheat.

Mr. MURRAY. Mr. President, this amendment is intended to prevent too great a curtailment of acreage of wheat of certain types, varieties which are not grown in excess of consumption requirements in this country. I have particular reference to wheat that is grown in the arid States of the West, such as No. 1 Hard Spring wheat, which is never grown in excess of the requirements of this country. If there is any curtailment of the production of that kind of wheat, it will be necessary to import it from Canada, and such wheat is in demand by the millers and bakers, and must be had in sufficient quantity to meet the market demand in this country.

Mr. POPE. Mr. President, the Senator from Montana spoke to me about the amendment, and, so far as I am concerned, I accept it for the purpose of taking it to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BORAH. Mr. President, on page 25, line 22, after the word "referendum", I propose to insert the words "by means of secret ballot."

Mr. POPE. Mr. President, so far as I am concerned, as one of the authors of the bill, I have no objection to the amendment.

The amendment was agreed to.

Mr. OVERTON. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 79, after line 16, it is proposed to insert a new paragraph, to read as follows:

The sum of \$1,000,000 is hereby authorized to be appropriated for the fiscal year ending June 30, 1939, of which 75 percent shall be allocated to the Secretary of Commerce and 25 percent to the Secretary of Agriculture for research into and development of new and extended foreign markets and outlets for farm commodities and products thereof.

Mr. POPE. Does the Senator provide for an authorization of this appropriation separate and apart from the moneys provided for the purposes of the bill?

Mr. OVERTON. Yes. It would not take any money out of the appropriation for the purposes of the bill.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The question is on agreeing to the amendment.

On a division, the amendment was rejected.

Mr. BORAH. Mr. President, I call the attention of the authors of the bill to page 28, line 20. I shall ask that the numerals "50" be changed to "25."

This has reference to what is called an unfair agricultural practice. The unfair practice is marketing more than is permitted to be marketed. But the amount over the amount allowed might be a very small item. A person might market more than was permitted to the extent of a few bushels or a few bales, and I think the penalty is entirely too severe. I move to strike out "50" and to insert in lieu thereof "25."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Idaho.

The amendment was agreed to.

Mr. BANKHEAD. Mr. President, I move an amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert, on page 41, line 11, the following:

The Commodity Credit Corporation shall place all insurance of every nature taken out by it on cotton with insurance agents in the

State where the cotton is warehoused, provided such insurance may be secured at a cost not greater than similar insurance offered on said cotton elsewhere.

Mr. KING. Mr. President, will the Senator explain the reason for that? Why depart from the general policy by which commodities and property are insured?

Mr. BANKHEAD. This merely provides for placing the insurance in the State where the cotton is warehoused, instead of placing it in New York. It applies to cotton scattered all over the South.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COPELAND. Mr. President, a moment ago, without any consideration of the reasons for the amendment, the Senate voted down an amendment offered by the Senator from Louisiana [Mr. OVERTON]. This is a matter which, in my opinion, is deserving of more consideration than we gave it. In order that the Senator from Louisiana may be permitted to explain the purpose of the amendment, I ask unanimous consent that the vote be reconsidered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York that the vote by which the amendment offered by the Senator from Louisiana was rejected be reconsidered? The Chair hears none, and the vote is reconsidered.

Mr. OVERTON. Mr. President, the amendment I offer is one which has been adopted by the House of Representatives to the farm bill. The amendment provides for an annual allocation of a million dollars out of the administration fund to be used in finding new markets and new outlets for agricultural products.

The difference between the amendment I have proposed and the amendment adopted by the House is that my amendment is merely an authorization. It authorizes the appropriation of a million dollars for the fiscal year ending June 30, 1939, and it undertakes to allocate 75 percent of that amount to the Department of Commerce and the other 25 percent to the Department of Agriculture.

Very much has been said on the floor of the Senate to the effect that we are losing our foreign markets for agricultural products and that nothing is being done about it. We have heard the criticism made over and over again in reference to the pending farm bill that no effort is made at all to encourage our declining foreign market.

It occurred to me that it would be a wise thing to authorize an appropriation of a million dollars to be used by the Department of Commerce, in cooperation with the Department of Agriculture, in order to find new foreign markets and new outlets for our agricultural products. I do not know to what department the money could be allocated better than to the Department of Commerce, especially acting in conjunction with the Department of Agriculture.

Mr. KING. Mr. President, will the Senator yield?

Mr. OVERTON. I am glad to yield.

Mr. KING. The Department of State, under the leadership of Secretary Hull, has expended a considerable amount of money and is expending a large sum now in trying to find markets not only for agricultural commodities but for all American-produced commodities. I know that the Department of Commerce has agents in nearly every country in the world, and I have contacted many of them in Asia, as well as in various countries of Europe. They are spending a great deal of time and considerable money in trying to find markets for agricultural products. The Department of Agriculture also has its representatives in various countries of the world. So that now we are represented by a large number of agents, perhaps several hundred, in the aggregate, from the various departments of the Government, seeking to find markets for our agricultural commodities, as well as manufactured articles.

Mr. OVERTON. Mr. President, in reply to the learned Senator from Utah, I should say that the State Department undertakes to push our foreign trade through the negotiation of reciprocal-trade agreements. The purpose of my amendment is not to find ways and means to devise new

reciprocal-trade agreements, or modify those in existence, but the purpose is to find new markets and outlets for our agricultural products in foreign lands. I think the Department of Commerce, not the Department of State, is the one charged with that obligation, and I think we could facilitate the work the Senator from Utah says the Department of Commerce and the Department of Agriculture are now doing by authorizing an appropriation of a special fund to be used for the purpose of finding better markets for agricultural products.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. OVERTON. I am glad to yield.

Mr. REYNOLDS. I am very much interested in the proposal of the Senator from Louisiana, but I should like to make inquiry as to whether or not any of the million dollars is to be utilized in the establishment of more agencies of the Department of Commerce throughout the world? I make the inquiry for the reason that it has been my understanding that for the past several years, on account of limited appropriations, our Department of Commerce has necessarily been required to reduce its personnel in various parts of the world. Is this money to be used for research?

Mr. OVERTON. I should say to the Senator from North Carolina that 75 percent of it is to be turned over to the Secretary of Commerce, and 25 percent to the Secretary of Agriculture. They will cooperate, and they will devise such ways and means as they in their wisdom consider best in order to promote our foreign trade in reference to agricultural products.

They will select the agency if any additional agency is to be selected. They will advise the ways and the means.

I do not think we can leave the expenditure of these funds in better hands than those of the present Secretary of Agriculture and the present Secretary of Commerce. I think they are both doing a very able and capable work in the management of their Departments, and I am sure they will expend this money wisely; and if they cannot wisely spend not to exceed a million dollars, they will return the money to the Treasury.

Mr. REYNOLDS. In other words, there is no manner particularly specified for limiting the expenditure of any part or portion of the million dollars.

Mr. OVERTON. No. I would not undertake through an amendment to outline in detail just what the Secretary of Commerce and the Secretary of Agriculture should do.

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. MCKELLAR. The Senator understands that we now have agents for this very business in almost every country of the world, both agricultural and commercial. The Department sends in recommendations for the increases it desires to have made from year to year. There has been a constant increase of these agents, both in the Department of Agriculture and in the Department of Commerce. I do not think we ought to authorize an appropriation like this in this bill.

Mr. OVERTON. I am limiting it. Does not the Senator from Tennessee think renewed effort ought to be made to extend our foreign commerce and our trade in reference to our agricultural products?

Mr. MCKELLAR. I should like to see our commerce and trade expanded wherever possible, but I do not think this is the place to authorize an appropriation either for the Commerce Department or for the Agricultural Department.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. OVERTON. I am glad to yield to the Senator from New York.

Mr. COPELAND. I think everyone knows that I have no enthusiasm for this bill; but if there ever was a time when the United States should seek foreign markets for agriculture, it is now. It is distressing to see how our cotton production is being reduced in America, and cotton production is being increased in many places throughout the world.

I have not been happy over the activities of various agents abroad; but I believe that with the stimulus of neces-

sity, with the need of the disposition of agricultural products produced in America, the money now proposed to be expended will be well invested. I sincerely hope that our friends—even those who are antagonistic to the bill—may see the wisdom of including in it, if it must be a law, this wise proceeding.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. BRIDGES. I should like to ask the Senator the question if it is not rather inconsistent to appropriate in this bill money to locate foreign markets for agricultural products when the bill, by its general purpose, will further cause us to lose the foreign markets we now have.

Mr. OVERTON. It is very inconsistent, I will say to the Senator, to spend at least \$500,000,000 of the Government's money annually in order to curtail production of our agricultural products—because that is the main intention and purpose of the bill—and then refuse to spend the niggardly sum of \$1,000,000 to promote our foreign trade. Does that answer the Senator?

Mr. BRIDGES. No, Mr. President. We have deliberately lost our foreign markets here in agricultural products by our program of curtailed production. This bill will further carry on that program.

I agree that the Senator's method of procedure is an excellent one, but I think it is highly inconsistent to include it in a bill which has the reverse purpose in mind.

Mr. OVERTON. But the ever-normal-granary plan does not contemplate that we are going to have a scarcity. We are going to have sufficient to meet domestic trade and foreign commerce at all times.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. RUSSELL. I did not understand from the reading of the amendment whether this sum of \$1,000,000 was to be taken from the funds appropriated for the farmers, or authorized in a new appropriation.

Mr. OVERTON. Not one cent will come out of the funds that go to the farmers. It is a new appropriation.

Mr. RUSSELL. A new appropriation?

Mr. OVERTON. Yes.

Mr. President, I yield the floor.

Mr. KING. Mr. President, there is one way by which we may obtain a part of the foreign market we have lost. When we passed the last tariff bill, known as the Smoot-Hawley tariff bill of unfavorable memory, we then largely dug the grave of our foreign commerce. If we should pass a sensible tariff bill, we should regain a part of our foreign commerce. But the tariff bill to which I have referred and other farm measures which we have passed have contributed to the losses we have sustained in our foreign markets. If we will pursue a wise policy, we shall regain them; but the policy embodied in this bill, plus the high tariff, will lose us forever our foreign markets.

Mr. ADAMS. Mr. President, it seems to me that the argument presented by the Senator from Tennessee [Mr. McKELLAR] has pointed out rather clearly that this is not the time or place to make this authorization. In other words, there are regular committees and regular processes by which such matters should be considered. It should not be considered in a farm bill. We do know that every embassy of any consequence which this country has throughout the world has connected with it attachés by whom great efforts are being made throughout the world to obtain markets for our products. The Agricultural Department is making efforts, as well as the Department of Commerce, to secure markets throughout the world.

Both of these Departments come before the committees of Congress and ask for appropriations, and those appropriations have been given without stint. They are adequately supplied for those purposes.

One other thing I would speak of is the matter of legislative procedure. The Senator from Louisiana says the House has already included in its bill a similar appropriation.

Mr. OVERTON. I may say to the Senator that the House amendment allocates out of the appropriation made for the farm program a million dollars annually to be used by the Secretary of Commerce for the purpose of finding new markets for our agricultural products.

Mr. ADAMS. That is, the House bill having included an authorization for an appropriation, if the Senate makes an appropriation we shall have definitely fixed the amount of money. If the Senate declines to make an appropriation, the matter may then go to conference to settle the difference between the Senate making no appropriation and the House making its appropriation. Therefore, it seems to me that this is not the time and not the place to include this particular item in the bill.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. McKELLAR. I have had occasion to visit a number of foreign capitals during the past year. In all the capitals I visited I found that we had agricultural agents located. They are vigilant in their efforts to gain foreign markets for us. We have constantly increased their number, as the Senator from Colorado, who is a member of the Appropriations Committee, knows. We have very numerous commercial agents, every one of them alive and working to sell our products wherever they can. It does seem to me that the Senate ought not to authorize an appropriation of this kind until the matter comes up regularly, so that it can be adjusted upon the recommendations of the Secretary of Commerce and the Secretary of Agriculture.

I do not think we ought to interpose here an authorization that they may or may not ask for. They are doing their job, and doing it well.

I do not think we ought to authorize this appropriation, and I am going to vote against the amendment.

Mr. ADAMS. Mr. President, I am in accord with that statement. I think it is true, and I think the Senator from Louisiana knows it, that full information is brought before the Appropriations Committee. That committee acts after full information. We do not have full information at this time either as to the amount of money appropriated for these purposes or as to the need for them. We are considering a different type of bill at this time. It will be only a matter of weeks before these matters can be considered.

We shall then have before us a bill providing the appropriations for the Department of Agriculture and another bill providing the appropriations for the Department of Commerce. At that time the heads of those Departments will be before the committees of the House and the Senate and adequate information will be given, and unquestionably adequate appropriations will be made, because no one differs from the purpose behind this amendment. We wish to stimulate foreign trade, but we do not, or should not, wish to spend money without knowing whether or not it is needed.

Mr. REYNOLDS. Mr. President, I was very happy indeed to hear the statement made by my able friend the senior Senator from Tennessee [Mr. McKELLAR], that during the past summer he had been provided the opportunity of personally visiting a number of countries in Europe, and that while there he observed at first hand that the representatives of the Department of Commerce, and likewise those of the Department of Agriculture, were alert and doing a splendid job.

Let us begin our argument, Mr. President, by assuming—we are perfectly willing to do that, I am sure—that all these representatives of the Department of Commerce and likewise those of the Department of Agriculture are on the job and doing a good job. That being the case it is well at this juncture to recall that since 1933 the personnel of that division of the Department of Commerce having to do with foreign trade has been curtailed almost 50 percent. Since 1933, one-half of the men employed by that division of the Government were dismissed from the service on account of lack of appropriations, as I am informed. Since that time that division has been working under a tremendous handicap.

As all Senators know, the bill which we have considered here for many days contemplates—unhappily, of course—an

expenditure of one-half billion dollars a year in order to provide safety and protection, and, in a sense, security for the agricultural producers of five big basic products—tobacco, corn, rice, cotton, and wheat. If we contemplate the expenditure of such a huge amount of money in 1 year, as much as was expended by the Federal Farm Board under the administration of Mr. Hoover, I believe we should most certainly favorably consider the expenditure of the pittance of \$1,000,000 a year for the purpose of endeavoring to find purchasers for farm products that we are growing.

Mention was made here a moment ago by one of my colleagues of our agents in various countries in the world constantly seeking markets for our manufactured products as well as our agricultural products. I say that now is the time for the Government to interest itself in a serious active endeavor to secure additional markets. Now is the time of all times to do that. Why?

Mr. President, we know that Great Britain is interested at this time only in preparing for war. In particular reference to agriculture, Mr. President, we know that the great plants in Great Britain which had formerly been used for the manufacture of farm implements have been converted into munitions plants.

The manufactured products of those farm-implement plants of Great Britain formerly went to the Transvaal, to the Straits Settlements, and to Australia. Today the manufacturers of farm implements of the United States of America are supplying that demand. We know that every country in Europe is interesting itself in preparation for war. We know that Japan and China, our competitors, as well as Germany, Italy, France, and Great Britain, our competitors particularly in South America, are not in a position to compete with us as heretofore they have been.

In support of the statement that I made a moment ago to the effect that now is the time for us to seek foreign markets for agricultural products as well as anything else, I remind Senators that statistics will reveal that within the past several months the trade of the United States has materially increased in the countries of South America, whereas in that same southern portion of the Western Hemisphere the foreign trade that has heretofore been enjoyed by Japan, Italy, France, Great Britain, and Germany has been somewhat reduced.

I say that now of all times is the time we should provide the Department with sufficient men. I heard here a moment ago that we have representatives in every country of the world. I beg to disagree with that statement. We have representatives only in 35 countries of the world and there are many sections of the world where we are not represented. In many sections of the world we are not represented by agents from the Department of Commerce or from the Department of Agriculture. Now is the time to provide for representation in all those countries in order that we may take advantage of the opportunity which now knocks at our doors.

The opportunity that is presented now is by way of the fact that all of our competitors upon the face of the earth are today either engaged in war or preparing for war and are thinking about nothing but war, whereas on the other hand, enjoying the delightfully isolated position that we do, we can spend our time in seeking markets in time of peace in order that we may provide prosperity for the 130,000,000 people of this country.

Mr. BYRNES obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. BARKLEY. If there is to be any further discussion of the amendment, I think we had better suspend for tonight. If we can have a vote on the amendment immediately, I should like to do so.

Mr. BYRNES. I want to discuss it only a moment.

The VICE PRESIDENT. The Senator from South Carolina is recognized.

Mr. BYRNES. I desire only to call attention to the fact that we are now appropriating to the Commerce Department

\$520,000 in one item for the purpose of expanding our commerce abroad, and in another item \$778,000 for the promotion and development of foreign commerce. In addition to that, we have an appropriation of \$298,000 to the Department of Agriculture for acquiring and diffusing useful information regarding agriculture abroad.

Mr. REYNOLDS. Mr. President, I am very glad, indeed, that my distinguished friend from South Carolina—

The PRESIDING OFFICER. The Senator from North Carolina has spoken once on the amendment and cannot speak again upon it. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON].

On a division, the amendment was rejected.

ADDITIONAL BILL INTRODUCED

Mr. SMITH introduced a bill (S. 3146) authorizing the Commodity Credit Corporation to make certain purchases of cotton from producers, and for other purposes, which was read twice by its title and referred to the Committee on Agriculture and Forestry.

AGRICULTURAL RELIEF—AMENDMENT

Mr. BONE submitted an amendment intended to be proposed by him to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table and to be printed.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion in the Navy and in the Marine Corps.

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Capt. Courtland Moshier Brown, Air Corps, to be major with temporary rank in the Air Corps, Regular Army, from December 12, 1937, under the provisions of law.

He also, from the same committee, reported favorably the nomination of Capt. Theodore Addison Weyher, Corps of Engineers, for appointment, by transfer, to the Ordnance Department, Regular Army.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order. The clerk will read the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. MCKELLAR. Mr. President, I ask unanimous consent that the nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

That completes the Executive Calendar.

COPYRIGHT TREATY

Mr. WAGNER. I ask that three telegrams received by me, protesting against the so-called copyright treaty which is now pending before the Senate, be printed in the Record.

There being no objection, the telegrams were ordered to be printed in the Record, as follows:

NEW YORK, N. Y., December 15, 1937.

Hon. ROBERT F. WAGNER,

The Senate:

The Allied Printing Trades Council of Greater New York respectfully requests your support in the rejection of the copyright

treaty reported out by the Foreign Relations Committee, as its passage would not help general industry in the United States, and would remove protection to the printing industry from foreign competition which we have been endeavoring to prevent for the past 30 years.

WILLIAM J. ROBINSON,
Secretary, 63 Park Row.

NEW YORK, N. Y., December 15, 1937.

Senator ROBERT F. WAGNER,

The Senate:

Mallors Union No. 6 respectfully requests your support in the rejection of the copyright treaty reported out by the Foreign Relations Committee as its passage would not help industry in the United States and would remove protection to the printing industry from foreign competition which we have been endeavoring to prevent for the past 30 years.

FRANKEL O'HARA,
Business Representative, Mallors Union No. 6,
230 West Forty-first Street.

NEW YORK, N. Y., December 15, 1937.

Hon. ROBERT F. WAGNER,

Senate Office Building:

The printing industry, and especially printing trades workers of America and international printing trades unions, seriously disturbed regarding pending copyright treaty now on Senate Calendar and recently reported by Foreign Relations Committee. Approval of this treaty will remove protection printing trades of America have had for the last 30 years and would be serious blow to employment situation here. Tariff legislation cannot possibly prevent or cure disastrous results. Urge and appeal to you to do all in your power and influence to have this proposed treaty rejected by not ratifying its provisions.

MATTHEW WOLL.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 11 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Friday, December 17, 1937, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 16 (legislative day of November 16), 1937

POSTMASTERS

MINNESOTA

Dewey R. Wilcox, Pine City.
Vera M. Hegg, Shevlin.

MISSOURI

Don Roy King, Gallatin.
Pearl E. Bussert, Wardell.

PENNSYLVANIA

Loy W. Oligher, Clymer.
Harry E. Reichert, Gilbertsville.
Arthur D. Gibson, Mayview.
James M. Gates, South Fork.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 16, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who are the highest among all the sons of God, Thou whose advent is the testimony of the Father's heart to the eternal in man, keep our hearts open to Thee; let the divinest One be our wisest and most profound teacher. "They that wait on the Lord shall renew their strength." Father of mercies, we wait; renew our strength, create within us the right spirit, teach us to be quiet and listen. We pray Thee to go with us through temptation and deliver us from evil; may our daily labor be a song and not a strife. O God of might, purge from out this old earth brazen and false display of justice, and may the Lord of Life ride the tempest of this confused world. Blessed Lord, remember those who shed their tears where none can see and

those who laugh to ease their aching hearts. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein three short tables which I have prepared.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent to extend and revise my own remarks on the pending measure.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a brief address by Mr. James H. R. Cromwell.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. JENKS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a statement I made on December 14, 1937, before the United States Tariff Commission in behalf of an increase in the duty on shoes.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ANDERSON of Missouri and Mr. BUCK asked and were given permission to extend their own remarks in the RECORD.

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter written by me to the President of the United States on the silver question.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address delivered by the gentleman from California [Mr. VOORHIS] before America's Town Hall of the Air.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, it is evident there will be two or three substitutes offered to the committee amendment which is now pending.

It seems to me, after consultation with the chairman of the Committee on Labor, the gentleman from Georgia [Mr. RAMSPECK], the gentleman from New York [Mr. O'CONNOR], and the minority leader [Mr. SNELL] that it would probably be better procedure to take up the substitute amendments as they are offered and dispose of them before we begin the consideration of amendments to the committee amendment which is in the nature of a substitute.

Therefore, Mr. Speaker, I ask unanimous consent that all substitute amendments may be disposed of as offered before amendments may be in order to the committee amendment.

Mr. BOILEAU. Reserving the right to object, Mr. Speaker, it may develop when the committee amendment is being considered that some other Member may desire to offer a substitute amendment at that time. Would this request preclude the offering of substitute amendments after we have begun consideration of the Norton amendment? I do not